

# Soccer's Grand Drama Will Open as a Mystery

## The World Cup Begins Today in U.S. Before an Ambivalent Home Audience

By Ian Thomsen  
International Herald Tribune

CHICAGO — Six years ago, soccer rang up the United States out of the blue and said, "We were thinking of coming for a visit."

"Well, that would be great," America said. An uncomfortable pause from the land of opportunity, then: "Who's coming?"

"Everybody," soccer said. "All of the relatives."

"Fine, great," America said, mentally calculating the income its hospitality might earn. "Just let us know when you're coming so we can be ready."

It seems now that neither side realized what it was getting into. Soccer goes on international holiday every four years — its convention is known as the World Cup finals — but the sport has always visited familiar places, by invitation. Technically, the United States placed a bid to host the world's largest non-Olympic tournament; in reality, soccer has always wanted to come here, to become part of the American cultural landscape and to share in the riches.

So as the underdog Bolivians kick off Friday afternoon against the defending champion Germans in the quintessentially American stadium of the Chicago Bears, the 15th World Cup feels oddly foreign, like someone else's idea. The nine American venues are prepared to the extent of a major convention coming to town — the hotel rooms have been blocked off, the welcome signs are in place, the American football stadiums have been reconfigured to the specifications of their guests — and the public is largely ambivalent. According to a Harris poll conducted three weeks ago, 71 percent of Americans still don't realize the World Cup is in the United States, 62 percent don't know what it is and 56 percent aren't interested in watching any of the 52 matches on television.

The United States is where many of the world's soccer superstars vacation in sum-

mer, walking the streets in blissful anonymity. No one expected Americans to suddenly rejoice in their presence. Nonetheless, in the last few days it has been hard to fathom that an hour-long opening ceremony and its ensuing match — worthy of 750 million viewers worldwide, three times more than watch a Super Bowl — are scheduled to take place here.

One great emotional obstacle is the dispersion of the tournament. Unlike the 1984 Olympics, which took over Los Angeles, the World Cup spans nine cities across 3,000 miles over 31 days — a period roughly twice as long as that of the Olympics. Then there is the uniquely American makeup of venues, such as Los Angeles, Dallas, Orlando and Detroit, cities whose centers are irrelevant, which do not have logical meeting points from which World Cup fervor might generate and spread forth. American communities are connected by the automobile and the television, and American interest in the World Cup ultimately will be gauged by TV ratings, which are expected to be modest.

American competition for the World Cup includes the baseball season, in which new stars are threatening the game's greatest records. Fans figure to care more about the National Basketball Association championship series, which should be completed next week, and even by something as bizarre as the double-murder involving the American football star, O.J. Simpson, a tragedy whose social and cultural implications are probably far more engaging to Americans than this foreign visitation.

Soccer organizers hoping for a good start can only rejoice in the sudden career change of Michael Jordan. Were he still playing basketball, then his Chicago Bulls surely would have taken the place of the New York Knicks in the current NBA title chase — and that would have left soccer feeling even more irrelevant in this city, on the eve of its

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# And the Winner Will Be? The Pick Here Is Brazil

By Rob Hughes  
International Herald Tribune

CHICAGO — Who will win the World Cup? Ask a simple question, and you invite a complex answer.

I can give it to you straight. I can tell you Brazil will take home the trophy one month from today. And old readers of this column will know that Hughes always says Brazil — and, in five World Cups since 1970, has had to come up with excuses as to why the greatest soccer nation fell short of expectation.

As often as not the answer lay in a single word: Germany. We find it at Soldier Field, the evocatively named stadium here in Chicago where the Germans get to kick off Friday's opening game of the 15th World Cup by virtue of being, again, champions of the sport.

In essence, soccer has lent itself more over the past two decades to Lentriche thoroughness, to denying the opposition, to the phenomenal grinding willpower of the German style rather than to the beautiful game with which Brazil stole our hearts.

That, of course, is over simplified. Argentina and Italy, countries lacking art with cynicism, grace with destruction, have muscled in there, too. The Argentines have won in Latin climes, the Italians in Europe, and Germany has pounded away with a game high on order, high on good passing and running techniques, higher still on the belief that its sons are born to be soccer winners.

Maybe it is a touch of the sun, maybe Chicago in the high 90s is playing tricks with my judgment, but I don't rate Germany as the winner this time around.

As I march with the throngs toward Soldier Field, toward a beautiful and evocative stadium with its neoclassical colonnades rising 100 feet in monument to men sacrificed to old wars, I have a good feeling that soccer is going to recapture some of its faded joy at this World Cup.

I know that is a lonesome view. I know history mocks me. I know Brazil is a old flame that flatters to deceive. And I know those Germans keep on coming, keep on working, keep prevailing to the end.

But this time I am right. As long as soccer is a game, as well as a global, billion-dollar industry, I will see the boys in yellow outplay the troops in black and white. If Brazil



Brazil's Paulo Sergio, front, and Marcio Santos stretching before a practice at their camp in Santa Clara, California.

and Germany cross paths during this 52-match World Cup. I already know that Romario will show the hall to Lothar Matthaus, will flick it over Matthaus's head, and will score like the irreverent magician I believe him to be.

And then we awake. Then reality crowds in. Then we have to accept that on virgin American territory just as everywhere else

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GERMAN-ITALIAN BONDS — Prime Minister Silvio Berlusconi of Italy being welcomed to Bonn on Thursday by Chancellor Helmut Kohl, with military honors. Mr. Kohl made no public criticism of Mr. Berlusconi's having neo-fascists in his cabinet. Page 2.

# The Bundesbank Paints a Bright Picture

## Eye on Inflation, It Bars Cuts in Key Rates for 'Some Time'

By Alan Friedman  
International Herald Tribune

PARIS — The Bundesbank, in a decidedly upbeat assessment, declared Thursday that Germany's economic recovery was strengthening. At the same time, the German central bank sought to quell inflation fears that have been troubling financial markets.

But the Bundesbank also unsettled the German government bond market because it indicated in its June monthly report that there would be no further cuts "for some time" in either the discount rate or the Lombard rate, two key interest rates.

The last cut in these rates, a half-point, came in mid-May. The statement on Thursday was believed to mean there will be no more cuts until at least July 21, when the Bundesbank council meets for the last time before its traditional four-week summer pause.

Analysts said the remarks about interest rates fueled speculation that after 23 months of gradual rate reductions the Bundesbank might be preparing to put its monetary policy on hold.

Fears of rising inflation, meanwhile, rolled through Europe's financial markets once again on Thursday, briefly propelling the dollar to a

new low for the year and pounding stocks and bonds. (Page 11)

In Paris, the Bank of France lowered its intervention rate, the leading interest rate, from 5.30 percent to 5.20 percent. This put the rate, which acts as a floor on short-term money market rates, just 0.15 percent higher than the equivalent German repo rate.

The cut should have been good news for the French bond market, especially as it was accompanied by figures showing that the French economy grew by 0.5 percent in the first quarter. The growth rate was weak, but it represented the largest quarterly increase in two years, and Edmond Alphandery, the economics minister, contended that the pace of France's recovery would soon accelerate.

The French bond market nonetheless slumped again Thursday, and long-term interest rates rose as a result.

Senior European economic policymakers have become worried lately that inflation fears in the bond market have contributed to the soaring level of long-term interest rates, thus posing a potential threat to Europe's recovery.

Mr. Alphandery said Thursday that "the real economy is performing well, and there are no risks of inflationary tensions."

The Bundesbank report also contained language aimed at persuading markets that inflation was not a problem.

It noted that pressure on consumer prices had "weakened significantly" and explained that the recent rise in dollar-denominated commodity prices had been counterbalanced by the strengthening of the Deutsche mark against the U.S. dollar.

Another factor contributing to the low inflation outlook in Germany was the moderate size of wage increases negotiated during the 1994 wage round, the Bundesbank added. It said most industrial sectors had approved increases of around 2 percent for this year, which was "significantly lower" than in 1993.

The report said recessionary tendencies in the West German economy "appear to have been overcome" while in eastern regions "the economic upturn clearly continued in the first few months of this year."

Data from the Federal Statistics Office showed a 2.1 percent growth rate in West Germany in the first quarter, but the consensus forecast among private sector economists for German economic growth in 1994 is 1.5 percent.

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# Blood Hormone Discovery Seen Aiding Cancer Patients

By Gina Kolata  
New York Times Service

NEW YORK — An important blood-forming hormone that had eluded discovery for 35 years has been isolated after a heated race among several biotechnology companies.

The finding is expected to be of direct clinical benefit for cancer patients and to create a market of a billion dollars a year for the company that wins the patent for making the substance. A further consequence is that with the new hormone all major components of blood can now be manipulated, with far-reaching implications for medicine.

The new hormone, called thrombopoietin, induces immature bone marrow cells to develop into platelets, the disk-shaped cells that help blood clot. An obvious clinical use is to help cancer patients regrow their own platelets after radiation or chemotherapy, which destroy them. At present platelets are restored by transfusions, requiring large numbers of donors.

Scientists have searched for a platelet-forming hormone for many years, yet the pursuit was so unavailing that many despaired and some even began to doubt that it existed at all.

The reason for its elusiveness is now clear: The hormone is naturally present in such minute amounts that a mere millionth of a

gram per day can turn a person's bone marrow into a platelet producing factory.

In four articles published Wednesday in the British journal Nature, researchers describe how they isolated thrombopoietin and established its role in stimulating platelets. Although clinical trials must be conducted to prove that the hormone works as expected in patients, researchers are highly confident that it will. The companies that won the thrombopoietin race are Genentech in South San Francisco, California, and the ZymoGenetics Corp. of Seattle. The companies used different methods to isolate the hormone.

Hematologists were elated. "This is big, big," said Dr. David Golde, head of hematologic oncology at Memorial Sloan-Kettering Cancer Center in New York.

Dr. Jerome Groopman, chief of hematology at the Deaconess Hospital in Boston, said, "This really qualifies, I think, as being a breakthrough."

The final stretch of the race to find thrombopoietin began with a finding two years ago by Dr. Françoise Wendling of the Institut Gustave Roussy in Villejuif, France, near Paris. She discovered a new receptor protein embedded in the outer membrane of a cell waiting for some outside signal like a hormone to which the cell

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# Kiosk France Proposes A Rwanda Force

France is ready to join European and African nations in a "humanitarian" military intervention if a planned United Nations force does not arrive there soon. The foreign minister, Alain Juppé, said any intervention would be limited in time and aimed protecting civilians threatened with extermination. "We cannot go in alone," Mr. Juppé said. He suggested that the Western European Union could act under a United Nations mandate. (Page 4)

# Move in Congress To Punish Beijing

WASHINGTON (Reuters) — With the support of Democratic majority leaders, legislation to link human rights conditions to China's trade status with the United States was introduced in Congress on Thursday. The bill would revoke preferential import tariffs for products made or exported by the People's Liberation Army and products of certain state-owned enterprises.

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# Clinton Calls North Korea Developments 'Promising'

## Inspectors Can Remain, Pyongyang Tells Carter; Clarifications Sought

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton said Thursday that a new North Korean offer to resolve the crisis over its suspected nuclear weapons program "could be a promising development" and that the United States would resume high-level talks if Pyongyang was now ready to freeze the program.

Referring to former President Jimmy Carter's talks Thursday in Pyongyang with the North Korean president, Kim Il Sung, Mr. Clinton said, "Today there are reports that the North Koreans in discussions with President Carter have offered new steps to allay the international community's concerns" about its nuclear program.

But Mr. Clinton appeared skeptical about assurances made by Mr. Kim during the talks with Mr. Carter. "It depends on what the Koreans meant by what they actually said today," Mr. Clinton said.

"If today's developments mean North Korea is genuinely and verifiably prepared to freeze its nuclear program while talks go on," he said, "then we would be willing to resume high-level talks."

"Our nation clearly has vital interests on the Korean Peninsula," Mr. Clinton said, adding that the U.S. commitment to South Korea was "unshakable."

Mr. Clinton's comments came hours after Mr. Carter reported an apparent concession from Mr. Kim made during a meeting in Pyongyang.

Shortly before Mr. Clinton made his comments, Assistant Secretary of State Robert L. Gallucci said, "The United States welcomes indications given to President Carter that North Korea desires to find a constructive solution to the very serious issues between North Korea and the international community."

Mr. Gallucci, who acts as the administration's coordinator for policy on Korea, said there would be adequate basis to resume the negotiations that Mr. Kim wants, provided the North Koreans are ready to take particular steps. Mr. Gallucci said these were: the suspension of reprocessing of nuclear fuel, the suspension of reusing of Pyongyang's nuclear reactor, and maintaining the continuity of inspection safeguards.

"It's fair to say we looked at the message. We see possibly some new elements in the message. We will be exploring the meaning of the message through diplomatic channels," Mr. Gallucci said.

Mr. Carter said earlier Thursday that North Korea had agreed to allow United Nations inspectors to remain at a disputed nuclear installation that U.S. intelligence believes may be part of an illicit weapons program.

Mr. Carter, who has been in North Korea for meetings with Mr. Kim and other leaders, said in an interview with CNN, "I look on this commitment of President Kim Il Sung as being a very important and positive step toward the resolution of this crisis."

North Korea's refusal to permit outside inspection of its nuclear installations has resulted in an international deadlock in which the United States is asking the UN Security Council to impose sanctions, something North Korea has

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# Beijing Feeling Pressure Over Sanctions Issue

By Lena H. Sun  
Washington Post Service

BEIJING — As international pressure mounts for sanctions to punish North Korea over its disputed nuclear program, China, North Korea's sole remaining Communist ally and main economic partner, finds itself increasingly in the hot seat.

Beijing wants stability on the Korean Peninsula so it can continue with its economic development program. But China does not want to take any measures that would lead to the collapse of the beleaguered hard-line regime of President Kim Il Sung of North Korea, analysts say. Beijing fears turmoil on its borders if sanctions provoke a flood of North Korean refugees.

"China in principle does not subscribe to the involvement of the Security Council in the nuclear issue on the Korean Peninsula or the resort to sanctions to solve it," Shen Guofang, a Foreign Ministry spokesman, said Thursday. "It is our hope that the parties will choose not to talk about war but ways to resolve the dispute and relax tensions."

But Mr. Shen declined to say whether China would use its veto in the United Nations Security Council to block any sanctions.

In Moscow on Thursday, the Russian government reacted coolly to an American proposal for sanctions against North Korea unveiled this week. But the Russians did not oppose sanctions outright, nor did they criticize the content of the U.S. proposal, which would impose an arms embargo on North Korea in the first stage, with the possibility of financial and broader trade sanctions later if the Communist government refused to cooperate with international nuclear inspectors.

North Korea withdrew from the International Atomic Energy Agency on Monday after months of denying the agency's inspectors unfettered access to the country's nuclear sites. The Clinton administration decided to draft the

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Dow Jones	Trib Index
Up 20.93	Down 0.56%
3,811.34	111.78

The Dollar	Thurs. close	previous close
DM	1.6322	1.6365
Pound	1.52	1.5213
Yen	103.335	102.70
FF	5.5658	5.564

Newsstand Prices	
Andorra .....9.00 FF	Luxembourg 60 L. Fr
Antilles.....11.20 FF	Morocco.....12 Dh
Cameroon.....1.400 CFA	Qatar.....8.00 Riols
Egypt.....E.P. 5000	Réunion.....11.20 FF
France.....9.00 FF	Saudi Arabia.....9.00 R.
Gabon.....960 CFA	Senegal.....960 CFA
Greece.....200 Dr.	Spain.....200 PTAS
Holiv.....2.600 Lire	Tunisia.....1.000 Din
Ivory Coast.....1.120 CFA	Turkey.....T.L. 35.000
Jordan.....J.D 1.50	U.A.E.....8.50 Dirh
Lebanon.....U.S\$ 1.50	U.S. Mil. (Eur.) \$1.10

# What Makes America Great? Not What You Think

By Martha M. Hamilton  
Washington Post Service

WASHINGTON — Imagine a deserted Washington, where Capitol Hill and expense-account restaurants and movie theaters shut down for months at a time.

Imagine Florida without Disney World, Houston and Atlanta without office towers, shopping without enclosed malls, sports without domed stadiums and a world without computers.

Imagine life without air conditioning.

The question arises now, in late spring, because the heat of summer is already upon us. Temperatures were well into the 90s Fahrenheit (mid-30s centigrade) on Wednesday in much of the eastern half of the United States, setting records in New York, Philadelphia, Pittsburgh, Washington and Green Bay, Wisconsin.

It has redrawn the map of commerce by opening hot, humid frontiers to business development, and has allowed the contamination-free manufacture of such products as computers and drugs.

It has changed commercial architecture, increased worker productivity and created its own large industry.

Air conditioning is "the most profound technology advance of the 20th century," said Richard Cebula, an economist at the Georgia Institute of Technology. Without it, Florida and Texas would be sparsely populated compared with their density today, he said. In the 1960s, the net population loss that had been a constant in the South since the Civil War was reversed.

In the 1970s, Florida's population grew 44 percent and that of Texas grew 27 percent. In the 1980s, Florida experienced an additional 33 percent population increase, and Texas grew nearly 20 percent.

Once air conditioning made living in Southern and Southwestern states tolerable, both individuals and business came

crowding in, attracted by a lower cost of living, lower taxes and lower operating costs, Mr. Cebula said.

"I don't know of anything more significant in terms of building Dallas as a great business center, Houston as an oil and gas center, Austin as a high-tech center and San Antonio as a manufacturing center than air conditioning," said Ben Barnes, a former lieutenant governor of Texas, where the blast-furnace force of the summer heat is hard to describe to those who have not experienced it.

In addition to changing migration patterns in the United States, air conditioning has been important in the creation of some industries. The manufacture of computers, for instance, depends on clean, climate-controlled rooms.

IBM strives to keep rooms where it manufactures semiconductors at a steady 72 degrees and 25 percent humidity because changes in the temperature or the humidity "could impact the quality of the semiconductor," said Jim Smith, a spokesman for

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## Breathing Space for Major Labor's Leadership Battle May Be Divisive

By William E. Schmidt  
New York Times Service

LONDON — For months, the biggest question in British politics has been whether Prime Minister John Major will survive as leader of the Conservative Party, which has been racked by squabbling over its plummeting popularity and rifts over European policy.

Now the Labor Party opposition, with the death last Thursday of its leader, John Smith, is facing a potentially divisive battle of its own. In the next few weeks, the party must negotiate the politically perilous task of choosing a new chief.

Since Mr. Smith had taken over as leader two years ago, after the party's fourth consecutive defeat in a national election, he had amiably united Labor's quarrelsome factions and restored the party machine to fighting trim, precisely when the Conservatives have been floundering.

Earlier this month, Labor battered the governing Tories in town and country elections, and polls predict even bigger Labor victories in voting next month for the European Parliament.

Last weekend, amid pleas for unity and a suspension of campaigning until Mr. Smith's funeral this Friday, Labor rivals were quietly lining up support within the party. Its rank and file are divided between the old-style trade unionists and the so-called modernists who want to nudge the party more toward the political center.

Surveys of party members in London newspapers suggested that the strongest support was building for Tony Blair, the party's telegenic 41-year-old spokesman on domestic affairs.

Because of his youthful appeal and a willingness to address traditional Conservative issues like law and order, Mr. Blair is described by his supporters as an even more formidable challenger than Mr. Smith would have been, especially in areas of southern England where Labor has been shut out in the last four national ballots.

The Daily Telegraph, a newspaper that traditionally backs Tory candidates, called Mr. Blair

"the man Conservatives most fear as a future leader of the Labor Party."

But Bill Connor, an official of the shopworkers' union and a member of the party's executive committee, said he was skeptical of Mr. Blair's commitment toward trade unions, whose membership still makes up the bulk of the party's hard-core political and financial support.

Mr. Blair and Gordon Brown, 43, a former television journalist who is a close friend of Mr. Blair's, are the preferred choices of the party's more moderate wing. On the left, the candidates most often mentioned are John Prescott, 35, a political brawler and former union official, Robin Cook, 48, the party spokesman on trade and industry, and Margaret Beckett, 55, who was Mr. Smith's deputy.

Under new rules that Mr. Smith helped engineer last year to break the hold of block voting by trade unions, the new leader will be selected by an electoral college. One-third of the delegates will be chosen by a ballot of Britain's 4.5 million trade unionists, one-third by a vote of Labor members of Parliament, and one-third by the party's 250,000 full members.

There is wide agreement that Labor's loss of Mr. Smith may have given Mr. Major some breathing space. Lord Howe, a former member of Margaret Thatcher's cabinet, said a Labor leadership contest would afford "a respite from the rather frenzied discussions" over dumping Mr. Major.

The death of Mr. Smith, felled at 55 by his second heart attack in six years, may have helped Mr. Major in another way: by casting doubt on the fitness of Michael Heseltine, 61, often cited as his chief Conservative challenger.

Mr. Heseltine, six years older than Mr. Smith, has only recently recovered from a heart attack he suffered last year. A member of Mr. Major's cabinet, Mr. Heseltine sought to allay doubts, telling an interviewer, "I would question any suggestion that I am not 100 percent fit."



Tony Blair, the British Labor Party's front-runner, leaving his London home on Monday.

## In Break With Past, Some London Bobbies Will Carry Guns

New York Times Service

LONDON — Scotland Yard rewrote rules on Monday that have traditionally barred police officers from openly carrying guns, and for the first time will send a few dozen specially trained bobbies into the streets this summer, wearing sidearms in hip holsters.

The change in the arming policy — provoked by a growing number of violent assaults on police officers — will go unnoted by most residents and visitors to the capital.

All but a handful of London's uniformed bobbies will continue to walk their beats and ride patrols cars without weapons, as they have done since the London

police force was established more than a century ago.

But while the new policy affects only a few patrol officers, police officials said it had a much larger symbolic importance, as one more step toward providing bobbies with the kinds of weapons they need to defend themselves.

"I think we all value the traditional image of the British bobby," said Paul Condon, the superintendent of the Metropolitan Police Department of London, at a news conference.

"But we have to police the real world, and the equipment and training must have some link with the real world."

After having had two officers killed in

recent months, two others shot and several stabbed, Mr. Condon said, "I am not prepared to ask them to carry out their job without better protection."

The change in policy was endorsed by government, which announced the new measures earlier Monday as a "measured response" to the problems facing the police.

But while the Home Secretary, Michael Howard, said the move was "an important step in providing the police with better protection," he also said he believed most British police would remain unarmed for "a long, long time to come."

In addition to allowing a handful of officers to carry sidearms while on duty,

Mr. Condon also authorized police officers to carry 22-inch-long, nylon riot sticks routinely.

Wooden nightsticks 12 to 14 inches long now are the standard issue.

He also said London police officers would test the use of pepper-gas sprays, as a way "to disorient" violent subjects, and would conduct trials on the feasibility of equipping all beat officers with bullet- and stab-resistant vests.

The measures are a result of growing pressure from police organizations to allow officers to carry better weapons to defend themselves against criminals who are themselves better armed.

The new gun policy applies only to what

are described as "armed response vehicles," in which officers who are specially trained in firearms use are now assigned.

Currently, there are five such cars on patrol in London at any one time, Mr. Condon said he would increase the number of these patrols to 12 by the summer.

At present, the weapons are carried inside a locked metal box in the vehicle, and are only taken out by the officers when they arrive on the scene of an incident, and only with the authorization of a senior officer.

Under the new policy, the police officers will routinely carry six-shot, Smith & Wesson Model 10 revolvers in hip holsters.

— WILLIAM E. SCHMIDT

## German Youth Charged With Leading Anti-Foreigner Riot

By Stephen Kinzer

BERLIN — Facing sharp criticism from politicians and human-rights leaders, policemen in the East German city of Magdeburg brought charges Monday against a teenager suspected of being the ringleader of a riot against foreigners there last week.

Magdeburg's chief prosecutor, Rudolf Jaspers, said the suspect was 19 years old and was believed to be the leader of a local neo-Nazi group with about 80 members. He is being charged with "an especially

serious case of disturbing the peace," Mr. Jaspers said.

Following normal procedure, Mr. Jaspers declined to identify the suspect. He said investigators hoped to bring charges against other suspects.

On Thursday, a gang of about 150 neo-Nazis, skinheads and other thugs chased asylum-seekers, most of them from Sierra Leone and Nigeria, through the streets and into a café owned by a local Turk.

In the subsequent clash, at least four assailants were stabbed by Turkish-born café employees who

tried to defend the asylum-seekers.

After the clash, anti-foreigner gangs roamed the streets for hours in search of victims, and there were several assaults. The police arrested 49 suspects but quickly released all except one man, who was being sought on an unrelated charge.

They said they could not identify any of the 49 as having been responsible for specific crimes.

Several prominent Germans strongly criticized the police for failing to prevent the violence, for failing to film it and for quickly releasing the suspects.

"It is horrible, and it is difficult for any of us to accept," President Richard von Weizsäcker said in a broadcast interview.

"It is hard to understand how, as we see from television pictures, hoodlums or right-wing extremists can charge through the streets breaking windows and attacking people, and then 50 or more are arrested, but that same night they're all released," he said. "Are they supposed to go out the next night and do the same thing again?"

The head of Germany's principal Jewish organization, Ignatz Bobis, told a Cologne newspaper, "The failure of the police to protect these people is scandalous."

Foreign Minister Klaus Kinkel said Sunday that the government "deeply deplores" the Magdeburg violence and added, "We now have new grounds for shame."

Several hundred people marched through the streets of Magdeburg Monday to show solidarity with foreigners, the second such march since Thursday. Police camera teams filmed both marches, saying that they feared violence.

## Go-Ahead On Pill for Abortions

Reuters

WASHINGTON — The French abortion pill RU-486 will be tested in the United States under an agreement with the manufacturer to donate its patent rights to a U.S. nonprofit organization, it was announced Monday.

Roussel Uclaf, which has refused to allow the pill to be used in the United States because of concern about protests by abortion opponents, said it had agreed to donate patent rights to the Population Council.

"After long negotiations with the Population Council, Roussel Uclaf has agreed to the above solution, which eliminates its involvement in the manufacture and distribution of RU-486 in the United States," the company said.

Representative Ron Wyden, an Oregon Democrat who has been working for testing of RU-486 in the United States, said that the pill would be tested on about 2,000 women for several months beginning this fall.

The tests will allow the Food and Drug Administration to determine whether the pill is safe for general use.

He said the pill would be used only up to the seventh week of pregnancy.

The secretary of health and human services, Donna E. Shalala, said the agreement had been reached with the encouragement of the Clinton administration.

"This action is an important step toward providing the women of America access to nonsurgical alternatives to pregnancy termination," she said.

## Roy Plunkett, Teflon Inventor, Dies at 83

New York Times Service

Roy J. Plunkett, 83, the scientist whose accidental invention of Teflon 50 years ago not only changed

the way Americans cook but also helped develop a multimillion-dollar plastics industry, died Thursday of cancer in Corpus Christi, Texas.

In 1938, Mr. Plunkett was a young research chemist at a Du Pont Co. laboratory in Deepwater, New Jersey, conducting an experiment on a possible new refrigerant when he discovered that he had created a new product.

Mr. Plunkett recalled later that he was looking disappointedly at a job of white, waxy material inside a laboratory cylinder, thinking the experiment a failure, when he decided to test the material for properties other than refrigeration. He found it to be resistant to heat, to be chemically inert and, better yet, to have very low surface friction, so it would not stick to anything.

Teflon, the trade name for the polytetrafluoroethylene resin, was to become a household name in cooking pans, and three-quarters of the pots and pans sold in the United States are now coated with Teflon or one of its cousins.

Mr. Plunkett was awarded a patent in 1941 for his invention.

The new, nonstick substance also revolutionized the plastics industry by moving such synthetic materials into applications never before believed possible.

Erwin Glikles, 56, Publisher of Nonfiction for 25 Years  
NEW YORK (NYT) — Erwin A. Glikles, 56, a leading publisher of nonfiction books for a quarter-century, whose authors included some of the most prestigious figures in American intellectual life, died Friday night of a heart attack.

Since 1969, when he left a post as associate dean of Columbia College, Mr. Glikles, who worked at three different publishing companies over the years, gained a reputation for a rare talent in contemporary publishing: making commercial successes serious books on public policy, history and ideas.

He was the president and publisher of Basic Books for seven years in the mid-1970s, the publisher of the trade division at Simon & Schuster and, since 1983, the president and publisher of The Free Press.

After the sale of Macmillan Publishing Co., the parent of The Free Press, to Paramount Communica-

tions, Mr. Glikles had begun working only a few weeks ago at Penguin U.S.A., where he was to be in charge of a new nonfiction division, True North Publishing.

Among the authors published by Mr. Glikles were George Will, Judge Robert Bork and Michael Porter, whose "Competitive Advantage of Nations" was among his early successes.

Elias Moutsoulas, 70, a longtime African National Congress activist who was imprisoned by the South African government along with Nelson Mandela for more than two decades, died Tuesday in Johannesburg.

Sheikh Mohammed Mekki Naciri, 88, a Moroccan nationalist party leader, former cabinet minister and leading Muslim scholar, has died.

Helen Lee Mel, 63, who starred in Hong Kong-made films in the 1950s and '60s, died of cancer Thursday in Portland, Oregon.

Timothy Carey, 65, a character actor who played in more than 50 films, ranging from "Paths of Glory" and "One-Eyed Jacks" to 1960s beach movies, and who often took the part of a villain, died Wednesday in Los Angeles after suffering a stroke.

## Residential Zone In Tuzla Is Hit By Heavy Shells

Agence France-Press

TUZLA, Bosnia-Herzegovina — Two heavy artillery shells hit a residential area of the mainly Muslim industrial town of Tuzla on Monday, causing panic, witnesses said.

It was the third consecutive day the northeastern Bosnian town had been shelled. The shells appear to have come from Serbian positions about 4 kilometers (2.5 miles) to the northeast.

On Wednesday two persons were killed and four were injured during shelling, prompting local authorities to close schools.

Earlier, officials of the UN force said in Sarajevo that three pieces of heavy weaponry had been sighted in a Serbian-controlled neighborhood in central Sarajevo. The presence of the weapons — two mortar guns and an anti-aircraft cannon — would violate the 20-kilometer exclusion zone imposed by the UN.

In Belgrade, a Russian special envoy, Vitali I. Churkin, emerged from a meeting with Slobodan Milosevic, the Serbian president, to say that he would "very soon" recommend to UN officials a meeting of the warring parties to negotiate an end to the fighting.

## WORLD BRIEFS

### Food Aid Reaches Rwanda Refugees

NAIROBI (Reuters) — The first food aid in weeks reached a stadium on Monday where thousands of civilians are trapped in Rwanda's bloodbath. A spokeswoman for the International Committee of the Red Cross said one truck carrying 12 tons of porridge made it through to the town of Gitarama, headquarters of a rump government, southwest of the ghostlike capital Kigali.

Another truck is planned to make the same trip on Tuesday. The Red Cross spokeswoman said a surgical team also made it from neighboring Burundi to Kigali, southwest of the capital.

Refugees in Kigali, mostly from the minority Tutsi clan, were reported eking out an existence in subhuman conditions. Refugees said that they were virtually being kept prisoner by government troops and that people were repeatedly pulled out of the compound and butchered by death squads from the major Hutu tribe.

### Cease-Fire in Nagorno-Karabakh

MOSCOW (AP) — The defense ministers of Armenia and Azerbaijan agreed Monday to a cease-fire in Nagorno-Karabakh, signing a preliminary accord in Moscow for the deployment of peacekeepers in the disputed enclave, the Interfax agency said.

The warring parties, meeting under Russian mediation with the enclave's separatist Armenian authorities, agreed to a total cease-fire to come into effect at midnight Tuesday, the agency said.

The parties also signed a preliminary accord for the creation within the conflict zone, as of May 24, of 49 observer posts to be manned by Russian, Armenian, Azerbaijani and other Commonwealth of Independent States troops and commanded by Russians. The accord, which is to be formalized Tuesday, also provides for the subsequent deployment in the enclave of a 1,800-strong peace force of commonwealth soldiers.

### Haiti Military Regime Expands Coup

PORT-AU-PRINCE, Haiti (AP) — Haiti's army-backed president seized the post of prime minister on Monday, hours after the caretaker prime minister, Robert Malval, demanded that state workers disregard all orders from the army or its new civilian figurehead.

The developments increased political tension in Haiti, where real power has come from the military since the overthrow of the elected president, Jean-Bertrand Aristide, in 1991.

The army's surrogate, Enile-Jonassaint, 81, announced that he would serve both as provisional president and as prime minister, violating a central provision of the Haitian Constitution, which separates the heads of state and government. He made the decision by decree. His statement, which listed his cabinet selections, was broadcast on army-controlled state news media.

### Jakarta Warns Manila on East Timor

JAKARTA (AP) — Indonesia's foreign minister, expressing hope for cancellation of a conference in Manila on East Timor, has warned the Philippines not to underestimate its nation's depth of feeling on the issue.

Foreign Minister Ali Alatas spoke at a news conference Monday after meeting with a special envoy sent by President Fidel V. Ramos of the Philippines in an attempt to mollify Indonesian leaders, who have complained that the planned conference interferes in their country's internal affairs.

Indonesia annexed the Portuguese colony of East Timor in 1976 and considers it its 27th province. A Timorese resistance movement is fighting for its independence. Although the United Nations still recognizes Portugal as East Timor's administering power, Indonesia says East Timor's people have decided in favor of integration with Indonesia.

### Cost of Chernobyl Closure Is Raised

KIEV (AP) — Ukrainian officials said Monday that it would cost from \$6 billion to \$8 billion to close the Chernobyl nuclear power plant, twice their estimate earlier this month.

The officials gave the revised figures at Kiev's Borispol airport, upon return from the United States, where they discussed nuclear arms agreements and conversion projects. The United States and the European Union are calling for the closure of the Chernobyl plant because of safety concerns. Ukraine has said it cannot afford to shut it down.

Deputy Prime Minister Viktor Shymon said five reactors would have to be built to replace the plant, at a cost of \$1.5 billion. He said \$2.5 billion would be needed for safety measures at Chernobyl, and more than \$2 billion to update Ukraine's non-nuclear power sector over the next decade.

### Chinese Arrest 3 Labor Organizers

BEIJING (AP) — The police have arrested three men who were trying to organize workers in the sweatshop factories of southern China, a Chinese source said Monday. The arrests were the latest move in a government effort to prevent independent action among workers unhappy over soaring prices and the erosion of job security.

By June 3, President Bill Clinton must decide whether to renew China's low-tariff trade status. Mr. Clinton has said renewal of most-favored-nation status depends on whether China has improved its human-rights record.

The Chinese source said the three men were trying to organize an independent union in the Shenzhen Special Economic Zone, just across the border from Hong Kong. They had put out two issues of a mimeographed underground newsletter that aired worker complaints over low pay, forced overtime and unsafe work conditions, and informed workers about laws and regulations protecting their interests.

## TRAVEL UPDATE

### Greek Air Controllers Plan Strike

ATHENS (AP) — Air-traffic controllers in Greek airports announced a 48-hour strike beginning Tuesday that would create chaos for thousands of fans arriving for the European Champions Cup soccer final on Wednesday night.

Dimitis Petrisis, an official of the civil aviation union, said Monday that about 300 flights were scheduled to arrive late Monday through Wednesday with Italian and Spanish fans for the AC Milan-Barcelona match.

Mr. Petrisis said the strike was called to protest legislation before Parliament that would put civil aviation employees under the control of local governors. He said traffic controllers wanted to "remain under the jurisdiction of the ministry of communication."

France's airline industry faced new troubles Tuesday in a 24-hour strike by Air Inter. The strike arises from the same cause that set Paris and London at loggerheads over landing rights last week: French government efforts to protect money-losing Air France. It took control of 72 percent of Air Inter in 1990 under a pact that forces the company to serve unprofitable internal routes and bars it from Air France's lucrative external routes. Meanwhile, Air Liberté said Tuesday that it would complain to the European Commission about problems in obtaining access to Heathrow airport (Page 11).

The main pilots' union in Moscow has called on Russia's 40,000 pilots to go on strike starting Wednesday to protest falling safety standards and poor retirement benefits, the union's leader said Monday.

Various plans to build a Berlin-Brandenburg International Airport to open in 2004 were unveiled Wednesday for public comment. Tegel is stretched close to its limit, Tempelhof is used for short flights, and Schoenefeld, in what was East Berlin, has poor road connections. (AP)

Iran Air inaugurated a weekly flight to Alma-Ata in Kazakhstan, the official press agency IRNA said.

The world's biggest reclining Buddha will be officially unveiled Wednesday on a hill in Sanshui city, 40 kilometers (25 miles) from Guangzhou, China. The statue is 16 meters (51 feet) high and (352 feet) long.

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# THE AMERICAS / BEHIND THE SHUFFLE

## The U.S. Diplomatic Shake-Up Puts the Whole Team on Edge

### Foreign-Policy Aides Wondering Who's Next

By Elaine Sciolino

WASHINGTON — The French are reacting with characteristic sangfroid, the Germans with apprehension. And the Italians, in the press at least, are wondering whether it is happening because the Clinton administration failed to anticipate the strong showing of neofascists in Italy's elections.

The decision to replace Jeane Kirkpatrick, the White House specialist on Europe, and Stephen A. Oxman, the assistant secretary of state in charge of Europe, also has diplomats and bureaucrats asking who's next.

The question is relevant because of persistent rumors that President Bill Clinton, despite his denials, has been thinking of trying to improve his foreign-policy performance by replacing Secretary of State Warren M. Christopher, or the national security adviser, W. Anthony Lake, or both of them, after the November elections.

Mr. Christopher and Mr. Lake have responded to criticism by shaking up their own departments. Since last fall, Mr. Lake has made no secret of his desire to replace Mr. Walker. And at the State Department, Mr. Christopher finally succumbed to the advice of those inside and outside the government who contended that Mr.

Oxman was intelligent but miscast as assistant secretary of state in charge of Europe. It was not that Mr. Walker or Mr. Oxman made terrible policy errors, senior officials said. Both were well liked, but just not hard-edged enough, they said.

At the White House, the shift was executed smoothly. Ms. Walker was offered a plum ambassadorship in the former Czech Republic before she was relieved of her duties. That way, the White House could deny that she was being nudged out.

But it is harder to keep secrets at the State Department. Some officials knew months ago that Mr. Oxman's dismissal was only a matter of time. He was formally told only last week and now is said to be considering several ambassadorships in Europe.

The decision has touched off even more panic than usual within the State Department since Mr. Oxman, a friend of Mr. Clinton from Yale Law School and Oxford University, was regarded as politically untouchable.

Moreover, Mr. Oxman had developed a close relationship with Mr. Christopher when he served as his executive assistant when Mr. Christopher was deputy secretary of state in the Carter administration.

So if he can be replaced, the thinking goes, who is safe? "We can think this is only part of a reshuffling of the entire system that could go all the way up in the secretary of state," a senior European diplomat wrote in an analysis for his foreign ministry. "This is not the final change."

A senior French official said, "This administration isn't working so well, so we see that a game is continuing to go on in see who will end up with the losing card."

Mr. Oxman will be replaced by Richard C. Holbrooke, now ambassador to Germany. A former career officer in the Foreign Service and assistant secretary of state for East Asian and Pacific Affairs in the Carter administration, Mr. Holbrooke is widely regarded as a bureaucratic black belt with decades-long connections to other officials in the Clinton administration.

Working from Bonn, he is said to be better informed about the inner workings of Washington than most fellow ambassadors, keeping up to date by making calls after midnight.

But he has been ambassador to Germany for only eight months, and his departure is said to have set the Germans' teeth on edge.

"Let's just say there are regrets," a German government official said.



**HIS BLUE HEAVEN** — Bill Monroe playing the mandolin in his cabin in Goodlettsville, Tennessee. Debts forced Mr. Monroe, 82, regarded as the originator of bluegrass music, to put the home up for sale. But the owner of the Grand Ole Opry in Nashville, Tennessee, where Mr. Monroe has performed for 55 years, bought the property and allowed him to use it for the rest of his life.

## Abortions At Lowest Level Since '79 in U.S.

By Tamar Lewin

NEW YORK — The number of abortions performed in the United States dropped to 1,529,000 in 1993, the lowest level since 1979, according to a new study.

And it is not only the number of abortions that has fallen. Both the percentage of pregnancies ending in abortion and the number of abortions for every 1,000 women ages 15 to 44 are at their lowest levels since 1976 — three years after the Supreme Court, in the case of *Roe v. Wade*, established a constitutional right to abortion.

In 1992, according to the study by the Alan Guttmacher Institute, a nonprofit group that studies reproductive issues, 27.5 percent of pregnancies ended in abortion, compared with about 30 percent in the years from 1979 to 1986. The number of abortions for every 1,000 reproductive-age women was 25.9, compared with 29 from 1979 to 1983.

Stanley K. Henshaw, one of the authors of the study, said there were many possible explanations why fewer women were choosing to have abortions, including demographics, changed attitudes toward both single parenting and abortion, wider and more effective contraceptive use and more limited access to abortion.

"In most countries, abortion rates rise sharply for several years after abortion is legalized, then stabilize, just as we have seen in the United States. Rates then decline somewhat, particularly if contraceptive use improves," Mr. Henshaw said.

"We don't have data after 1992, but my conversations with abortion providers indicate that the decline continues."

The study, based on data from doctors and institutions that provide abortions and from state health departments, did not provide breakdowns by race or ethnicity.

Mr. Henshaw said some of the decline could be attributed to a trend among pregnant, unmarried women to keep their babies. "The number of births to unmarried women has increased astoundingly, going up 21 percent between 1988 and 1991," he said. "In those three years, births to unmarried women increased by more than 200,000, while abortions declined by about 60,000."

Another contributing factor, the study said, is that as the baby-boom generation ages, a higher proportion of women of reproductive age are in the older, less fertile years. Also, access to abortion has been restricted in recent years by tighter laws, and by a shortage of doctors and institutions that perform abortions.

"Limited access to abortion is certainly a factor, but probably not the most important one," Mr. Henshaw said.

"Abortion services have clearly become less available, given the smaller and smaller number of trained and practicing providers, the continuing concentration of services in large urban areas and provision of services becoming increasingly fraught with hassles and harassment," he said.

## Police Await DNA Test in Simpson Case

By Jim Newton and Josh Meyer  
Los Angeles Times Service

LOS ANGELES — The blood type of samples recovered at the scene of a brutal double slaying match that of O.J. Simpson's blood, a potentially important piece of evidence in the investigation of the killings of his former wife and a man she knew, according to Los Angeles police sources.

The former football star's blood type is different from those of the two victims, Nicole Brown Simpson and Ronald L. Goldman, a source said.

Even rare blood types are shared by many people. A more exact test to determine whether the DNA in the blood sample matches Mr.

Simpson's has not yet been concluded, sources added.

On Thursday, Mr. Simpson attended a private funeral service for his former wife. With him were the Simpsons' daughter, Sydney, 9, and their 6-year-old son, Justin. Afterward, they joined a procession to the cemetery where Mrs. Simpson was buried.

Although sources have said Mr. Simpson is the main suspect in the investigation, the Los Angeles Police Department has declined to confirm those reports, and Mr. Simpson has not been arrested or charged with any crime.

New details emerged about a matching pair of gloves. According to police sources, investigators found two work gloves, one at the scene of the crime and the other outside Mr. Simp-

son's Brentwood mansion. Both had blood on them.

According to one source, the glove at Mr. Simpson's home was found outside a side entrance near a trail of blood droppings.

"That would be inconsistent with what I was told," said Howard Weitzman, who quit as Mr. Simpson's lawyer, but remains an adviser. "Beyond that, I have no comment."

Sources said Mr. Goldman's wounds indicated that he fought fiercely when attacked, and they said Mr. Simpson was scratched and cut when the police interviewed him several hours after the crime.

On Wednesday afternoon, Mr. Simpson went to the O'Connor Laguna Hills Mortuary, where his former wife's body was being prepared for burial.

## N.Y. to Be Host Of Gay Games And a March

Washington Post Service

NEW YORK — Even for a city that is host to millions of tourists annually, that is accustomed to conventions ranging from Democrats to dermatologists, the last half of June will mark an extraordinary convergence.

It begins this weekend, when more than 10,000 homosexual athletes from 44 countries begin a week of sports competition called the Gay Games, with closing ceremonies at Yankee Stadium.

It continues through a huge march on June 26 that will mark the 25th anniversary of the Stonewall riots. In what became the defining moment of the contemporary gay liberation movement, the patrons of a bar in New York's Greenwich Village fought back against a police raid in June 1969.

Organizers estimate that 500,000 spectators will attend the games and that up to 1 million people will march.

The events demonstrate both the emerging clout of homosexuals, and continued obstacles. The games and the Stonewall commemoration have both found fewer corporate sponsors than fund-raisers had hoped.

But gay rights groups successfully lobbied the Justice Department to temporarily waive the U.S. ban on foreign visitors infected with the AIDS virus to enable them to attend the games and the march. And negotiations with the New York Yankees and, to a lesser extent, with the city have been the events' organizers.

A total of 31 sports are represented. Some events will resemble any other amateur competition, while others — same-sex pairs figure skating leaps to mind — will be unprecedented.

## A Cartel Refines Its Drug Trade Cali Exports New Products and Mocks Law

By Douglas Farah  
Washington Post Service

BOGOTA — Months after Colombian authorities eliminated the Medellín cartel that once dominated the world's cocaine traffic, the drug organization based in the city of Cali is moving aggressively to trade in new drugs and to block efforts to prosecute its leaders, according to law enforcement officials and other sources.

The Cali cartel, a loose affiliation of several large drug-trafficking organizations, also is adapting its financial strategy to return billions of dollars in proceeds to Colombia, the sources said.

It has been six months since Colombian troops killed Pablo Escobar Gaviria and finally shattered the Medellín cartel, which he had dominated. But the elimination of Mr. Escobar, who had fought an eight-year battle with the Cali cartel, has freed it to expand its exports.

Since then, U.S. and Colombian authorities acknowledge, Colombian cocaine has flowed undiminished to the United States, and Colombian cocaine and heroin traffic to Europe is rising sharply. Up to 1,200 tons of cocaine was shipped from the Andes region last year, and 85 percent of it was handled by the Cali cartel, the authorities estimate.

U.S. and Colombian law enforcement officials said the Cali cartel has been able to expand its trade because it has the best intelligence network in Colombia, and because it is especially powerful in Cali.

"Every operation against them has been compromised," said a U.S. law enforcement agent. "These guys have such an intelligence network that it is damn near impossible for anything of signifi-

cance to happen in Cali without their knowing about it."

The Cali traffickers now face little opposition and have even taken over trafficking operations in Medellín, offering franchises there to former Escobar lieutenants in exchange for a share of the profits.

The Cali cartel leaders are forcing the survivors of the defeated Medellín syndicate to pay ransoms from their violent con-

**"These are people with more money than God, who have such a good intelligence network, and hire the best lawyers."**

front. The so-called "war taxes" demanded by Cali amount to \$30 million, and the Medellín traffickers also are being forced to return ransom paid by the Cali groups for people kidnapped during their battle, sources said.

More worrisome, according to U.S. and Colombian judicial sources, is that Cali leaders are insisting that Medellín traffickers in prison in Colombia confess to crimes committed by the Cali group, thereby undermining prosecutors' cases against the Cali leaders.

U.S. officials said lawyers for the Cali leaders, working in the United States and using the legal discovery process, are able to uncover much of the evidence that the Drug Enforcement Administration and other agencies have against their clients.

"To remove legal jeopardy, the Cali leadership has a systematic, well-thought-through strategy," a U.S. official said. "These are people with more money than God, who have such a good intelligence network and hire the best lawyers. They are the discovery process in the U.S., then find a stalling horse and make a deal so someone confesses to enough of the crime that all evidence against the kingpin disappears."

International law enforcement specialists here and in the United States said many of the organizations are rapidly expanding into the production of just of heroin, but of liquid marijuana and synthetic drugs.

Liquid marijuana, made by squeezing the oil out of marijuana plants, is growing in popularity in the United States and Europe because it can be painted on the outside of normal cigarettes.

John J. Coleman, the U.S. drug agency's assistant administrator for operations, said the Cali organizations are "masters of marketing" and that, while heroin remains a relatively small interest for the Cali organizations, they are moving into the European market aggressively.

In Europe, Mr. Coleman said, "they will use the same strategy they used in the U.S., underselling the competition to get as large a market share as possible and cut the costs of distribution expenses by controlling every part of the trade."

Because they feel safe in Colombia, the Cali leaders are moving more and more of their wealth back here, U.S. and Colombian officials said. But instead of absorbing the costs — up to 25 percent — of laundering and transporting cash back to Colombia from the United States and Europe, the traffickers are simply importing goods.

## POLITICAL NOTES

### N.Y. Mayor Is Most Inscrutable

NEW YORK — Maybe it was the mind-numbing heat that had Mayor Rudolph W. Giuliani briefly thinking the emperor and empress of Japan were from Italy.

"You are among friends in New York City and in America," the mayor told Emperor Akihito and Empress Michiko as he toasted them during a dinner at the Metropolitan Museum of Art.

"The friendship between Italy...," Mr. Giuliani started to say as the audience laughed. "Italy? Japan and the United States," he continued, "is a strong and a very deep one, and one that you will enhance by your visit throughout the United States."

Then Mr. Giuliani uttered something in Japanese that left Akihito looking puzzled. Members of the emperor's entourage said they could not understand what the mayor had said.

Governor Mario M. Cuomo said Japan and the United States were "two great peoples."

"We wish the best that can be wished for between friends," he added.

Earlier, the mayor and his wife, Donna Hanover Giuliani, met the emperor and empress in the presidential suite of the Waldorf-Astoria Hotel.

Mr. Giuliani professedly apologized for how the heat had obscured the city's famous skyline after the royal couple landed Wednesday as part of their 16-day U.S. tour. The visit is described by Japanese officials as intended to promote goodwill between two countries whose economic partnership is strained by trade disputes. (AP)

### Bid to Regulate Tobacco Fades

WASHINGTON — In a setback for advocates of tobacco restrictions, the House Rules Committee rejected a plan for a fast-track vote on authorizing the Food and Drug Administration to regulate tobacco products without banning them.

The panel refused Wednesday to allow a waiver that would have permitted the regulatory proposal to be offered this week as an amendment to a bill providing appropriations for the Department of

Agriculture. This means that the proposal to regulate tobacco is probably dead for this year and will have to wait until the next Congress convenes in 1995. (LAT)

### A Welfare Test Went So-So

SAN FRANCISCO — An experimental California program to get people off welfare and working has succeeded in getting no more than half the participants in any one county off the rolls after two years, a study found.

Many participants have been unable to find jobs, or jobs that pay well enough to take them entirely off public assistance.

President Clinton unveiled a similar, \$9.3 billion welfare reform plan on Tuesday.

Under the statewide pilot program GAIN, or Greater Avenues for Independence, adopted in 1988, some recipients of the federal-state Aid to Families with Dependent Children must train for jobs and seek work to continue receiving other benefits.

The study, made public Wednesday, tracked 33,000 recipients of Aid to Families with Dependent Children and compared them with a control group of people receiving welfare but not enrolled in GAIN.

The six counties studied from 1991 to 1993 cut welfare payments an average of 6 percent while increasing the participants' income 23 percent over three years, compared with the control group.

"At their best, welfare employment programs can substantially increase people's earnings — and return for every dollar the government puts out, nearly \$3 back," said John Wallace, who led the study for Manpower Demonstration Research Corp., a New York-based nonprofit research institute. (AP)

### Quote/Unquote

Emperor Akihito, whose view of New York was clouded by a murky haze when his plane landed in record heat: "I look forward to seeing the skyline." (Reuters)

### Away From Politics


• Researchers have found evidence that casts serious doubt on claims by women that breast implants lead to various diseases. Comparing the cases of 749 women who had implants with the records of 1,498 women who had not, researchers at the Mayo Clinic in Rochester, Minnesota, found no increase in the likelihood of developing any of a long list of conditions, including various cancers and arthritis.

• After studying traffic jams for two years, a National Research Council panel has decided that the best way to curb highway backups is to impose fees on commuters who drive at peak hours.

• Interior Secretary Bruce Babbitt has given final approval to a plan to reintroduce the endangered gray wolf to Yellowstone National Park in Wyoming and to central Idaho for the first time in 70 years. Under the program, which was backed by environmentalists but opposed by ranchers fearful for their livestock, about 30 wolves will initially be collared and monitored in Canada.

• Widespread lightning strikes have sparked fires in interior Alaska spruce forests parched by summer's hot days and around-the-clock daylight, state and federal officials said. Fire fighters were at work trying to control 16 blazes that were considered threatening to property or towns.

• A study of the stumps of ancient trees that once grew from stream beds and lake bottoms in the Sierra Nevada has turned up new evidence that droughts in California can last 100 years or more, far longer than the state's official estimates. (Reuters, LAT, AP, NYT)



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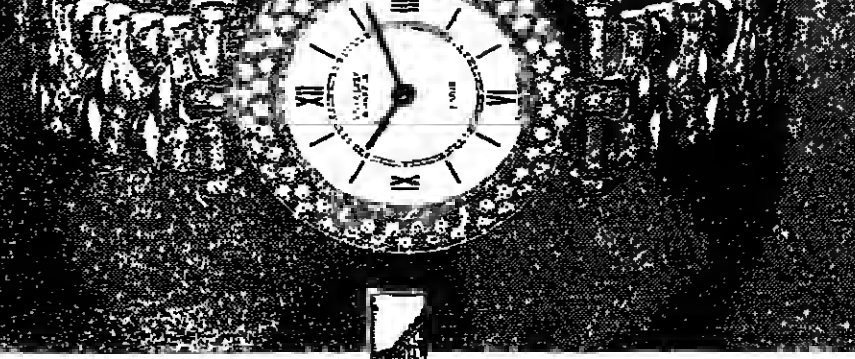
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TOGETHERNESS — Children white and black were at a rally Thursday commemorating the 1976 Soweto township uprising. In which black students and the police were involved in one of the country's worst clashes. The event is often called the beginning of the end of apartheid.

## Tormented in Japan, Koreans Say

TOKYO — Children in the North Korean community in Japan are increasingly suffering attacks and harassment as their country's suspected nuclear program gains more attention, a spokesman said Thursday.

From the start of April to mid-June, there were 124 incidents, said Pak Kyong Ryol, a spokesman for the General Association of Korean Residents in Japan.

The association recorded 25 incidents in April, 45 in May and nearly 50 in the first half of June as suspicion that North Korea was developing nuclear weapons reached crisis proportions.

Most of the victims were girls, recognizable because of traditional uniforms that include long, pleated skirts called *chima*. In several cases, the dresses were slashed.

A total of 54 of the incidents were violent, including the beating of two 15-year-old boys by a group of 20 Japanese boys about the same age.

Children riding the subway have been taunted by people who shout phrases such as "Go home, Koreans!" and "Get off the train!"

"It's not the work of organized groups," Mr. Pak said. "It's just that anti-Korean prejudice is strongly rooted in some Japanese."

There are about 700,000 Korean residents in Japan, descendants of people who came or were forcibly brought to work in Japan during Tokyo's colonial rule on the peninsula from 1910 to 1945. About one-third of these are believed to owe political allegiance to the North.

## SANCTIONS: Pressure Mounting, China Finds Itself in the Hot Seat

Continued from Page 1

sanctions proposal when North Korea abruptly withdrew spent fuel rods from a nuclear reactor last month.

Despite Beijing's opposition to sanctions, China also does not want to be seen as the only permanent member of the Security Council unwilling to punish North Korea. China wants to be seen as a major, responsible world power. It does not want to be out of step with the rest of the international community, analysts say.

The last time China used its veto power in the council was more than two decades ago.

For the Chinese, the major foreign-policy dilemma is finding a way to keep the North Korean regime "from going bottom up in a dangerous way" while preventing themselves from being isolated on the issue at the United Nations, a Western diplomat said.

Some observers say China is in the best position to influence North Korea. The two countries are linked by blood ties from the Korean War. About 900,000 Chinese died fighting for North Korea.

Exactly what Beijing has done to persuade the North to back off its confrontational nuclear program is not clear. Some diplomats have given China credit for working quietly behind the scenes. But Chinese officials acknowledge their leverage with Pyongyang has been undercut after China normalized relations with South Korea two years ago.

China is the chief supplier of oil and food grains to the North. In 1993, Chinese exports of coal and oil accounted for 26 percent of the \$900 million in total bilateral trade. One Western diplomat estimated that North Korea imports about 25 percent of its oil from China. But some other reports say the figure is closer to 75 percent. China also exports light industry products, like clothing.

By comparison, trade with South Korea has mushroomed in the two years since relations between Beijing and Seoul were normalized. Trade between China and South Korea last year was \$8.3 billion.

In recent weeks, the Chinese seem to have gone out of their way to show public support for North Korea. During a meeting here last week with Choi Kwang, the North Korean Army chief of staff, China's president, Jiang Zemin, said the two countries were "friendly neighbors as closely related as lips and teeth."

The Foreign Ministry spokesman repeated the metaphor on Thursday.

Liu Huaqing, vice chairman of China's powerful Central Military Commission, told the army chief of staff that the "profound friendship" between the two peoples and the two armies "should be passed on from generation to generation."

But behind closed doors, "the Chinese were sending stern messages," a diplomat said.

The same week, China also abstained from an atomic energy agency resolution condemning the North and suspending technical aid because the North had denied access to the agency's inspectors.

The Chinese have told Western diplomats of their concerns about stability on the peninsula, and about North Korea's international obligations.

■ **Moscow Outlines Stand**

Lee Hockstetter of The Washington Post reported from Moscow: The Russian objections to the sanctions package were expressed by Foreign Minister Andrei V. Kozirev, who sounded a theme that is becoming familiar. He said Moscow would not support what he termed "a set of sanctions worked out without our cooperation" that could "seriously complicate our work in the UN Security Council."

American diplomats, who presented Washington's proposal at the United Nations on Wednesday, said they expected several weeks of consultations in preparation for a Security Council vote.

## BRIDGE

By Alan Truscott

THE fourth-youngest player ever to reach the rank of life master in the New York metropolitan area, and the tenth-youngest anywhere, is Kent Mignocchi, 15, of Riverdale, the Bronx.

In the diagrammed deal, he and his regular partner, Judy Bianco of Manhattan, climbed to six spades, a contract with poor chances because of the duplication of values in the diamond suit. A third-round splinter jump to four diamonds by South, showing shortness, would have made it easier to put on the brakes in four spades.

queen. He then led a low club — it would have been an error to play the ace — and finessed the ten when West played low. He was thus able to make three club tricks, dispose of his remaining heart loser, and make the slam. This plan offers about a 30 percent chance, succeeding whenever West's clubs are J-x-x, K-J, K-J, or K-J-x-x. In the last of these cases it is essential to preserve the ace as a re-entry to the closed hand. There is also a slight squeeze chance if West's clubs are J-x-x-x.

**NORTH**  
♠ 10 9 5  
♥ A 8 7  
♦ A K Q  
♣ 10 6 5

**WEST**  
♠ 3 2  
♥ K 8 4  
♦ 8 5 4  
♣ 3 7 3

**EAST**  
♠ Q 8 4  
♥ Q 3  
♦ 7 10 9 3 2  
♣ K 9 2

**SOUTH (D)**  
♠ K 10 7  
♥ 10 6 5 2  
♦ A 8 4

Neither side was vulnerable. The bidding:  
South: 1♣, 2♦, 3♦, 4♦, 5♦, 6♦, 7♦, 8♦, 9♦, 10♦, 11♦, 12♦, 13♦, 14♦, 15♦, 16♦, 17♦, 18♦, 19♦, 20♦, 21♦, 22♦, 23♦, 24♦, 25♦, 26♦, 27♦, 28♦, 29♦, 30♦, 31♦, 32♦, 33♦, 34♦, 35♦, 36♦, 37♦, 38♦, 39♦, 40♦, 41♦, 42♦, 43♦, 44♦, 45♦, 46♦, 47♦, 48♦, 49♦, 50♦, 51♦, 52♦, 53♦, 54♦, 55♦, 56♦, 57♦, 58♦, 59♦, 60♦, 61♦, 62♦, 63♦, 64♦, 65♦, 66♦, 67♦, 68♦, 69♦, 70♦, 71♦, 72♦, 73♦, 74♦, 75♦, 76♦, 77♦, 78♦, 79♦, 80♦, 81♦, 82♦, 83♦, 84♦, 85♦, 86♦, 87♦, 88♦, 89♦, 90♦, 91♦, 92♦, 93♦, 94♦, 95♦, 96♦, 97♦, 98♦, 99♦, 100♦.

West led the diamond eight.

## North Korea France Ready to Join in Rwanda Force Willing to Talk, U.S. Expert Says

By Paul F. Horvitz

International Herald Tribune

WASHINGTON — North Korea is willing to freeze work on a new nuclear reactor and its fuel reprocessing plant in return for Western assistance in the peaceful uses of nuclear power, according to an American expert who met with President Kim Il Sung last week.

The American, Selig Harrison, reported in Washington on Thursday that the outlines of a "package deal" North Korea is seeking and said it provided the basis for an immediate easing of the confrontation between North Korea and the United States.

Mr. Harrison traveled to Pyongyang, the North Korean capital, in his role as director of the East Asian arms control program of the Carnegie Endowment for International Peace.

In three hours of talks, Mr. Kim said his government was willing to negotiate a concrete timetable for freezing operations at its fuel reprocessing plant at Yongbyon and construction on a nuclear reactor due to be completed in 1996, Mr. Harrison said. This freeze would be verified by international inspectors, he said.

The timetable would be negotiated when North Korea obtains binding commitments for the construction and financing of a modern, "light-water" reactor at an estimated cost of \$2 billion to \$3 billion, Mr. Harrison said.

Light-water reactors of the type used in the industrial West are far less adaptable to a nuclear weapons program than the graphite-based reactors now in use and under construction in North Korea, Mr. Harrison said.

By Alan Riding

New York Times Service

PARIS — Responding to domestic criticism that it was doing nothing to halt the massacres in Rwanda, France said Thursday that it was ready to join European and African nations in a "humanitarian" military intervention if a planned United Nations force does not arrive there soon.

Foreign Minister Alain Juppé, who will discuss the initiative during visits to the Ivory Coast and Senegal this weekend, said France was already seeking backing for the idea from European and African governments.

"We cannot go it alone," he told the French Senate on Thursday.

Mr. Juppé said any intervention would be of "limited duration" and would aim only to protect civilians threatened with extermination and would not impose a political solution. He suggested that the Western European Union, a nine-nation regional defense bloc, could act under a United Nations mandate.

But the plan was immediately denounced by the rebel Rwandan Patriotic Front, which has accused France of backing the Hutu-dominated government.

"We are opposed to French intervention," said Jacques Bihuzangwa, a rebel spokesman in Brussels. "They would be intervening to protect the torturers."

Belgium, Rwanda's colonial ruler until 1961, also responded skeptically to the proposal.

"France took sides much more than our country," the Belgian defense minister, Leo Delcroix, said Thursday. "And that's why the French initiative should be looked at with the necessary caution."

Despite its ties to Rwanda, Belgium was shaken by the murder of 10 Belgian soldiers serving in a United Nations peace mission in Rwanda in April, and it has since shown no appetite for further involvement. Rwanda's Hutus have also long accused Brussels of favoring the mainly Tutsi rebels.

Several African countries, among them Ghana, Senegal, Zimbabwe and Nigeria, have offered troops to a proposed 5,000-man United Nations Assistance Mission in Rwanda, but it is not certain that they would back a European-led intervention. An African summit meeting that ended in Tunisia on Wednesday focused its energies on obtaining a cease-fire between the warring parties.

Uganda, widely believed to have helped arm the rebels since they began their guerrilla war in 1990, said France was "an interested party" and its involvement could bring complications.

"The offer comes too late after over 500,000 innocent people have been killed," an aide to the Ugandan president, Yoweri Museveni, told Reuters.

So far, among African leaders, only Zaire's president, Mobutu Sese Seko, has backed intervention involving non-African countries if the fighting continues.

"I think that not just France but other states will be ready to go to end the horrors," he said after attending the African summit meeting. But France, for one, is not eager to be associated with the Zairean dictator.

Mr. Juppé mentioned the possibility of a French-backed military intervention in Rwanda during a meeting with legislators Wednesday, he then elaborated on the idea Thursday in a long article in the Paris daily Liberation, in which he contended that the international community had shown "culpable inaction" over the last two months.

"We have a real duty to intervene in Rwanda," he wrote. "It is no longer time to deplore the massacres with our arms folded, but to take the urgent need for international intervention should lead us to show both imagination and courage."

He suggested that, if a United Nations peace force cannot be quickly sent to Rwanda, some of the 18,000 United Nations troops currently stationed in Somalia could be deployed to Rwanda. He added that the UN secretary-general, Boutros Boutros Ghali, had endorsed the idea in principle.

But if this is not possible, Mr. Juppé went on, France was ready to act with European and African countries to stop the bloodshed.

"No solution to put a stop to the Rwandan tragedy should be discarded," he said. "France is ready to play its part in this effort." A French military source said France could send up to 1,000 soldiers on 24 hours' notice.

## COOL: How the Air Conditioner Remade America

Continued from Page 1

the company's microelectronics division.

When air conditioning arrived in the workplace, it had a large, undeniable impact on productivity.

Surveys showed "business" increases ranging from 20 to 40 percent on a year-round basis "when air conditioning came to such businesses as beauty shops, drugstores, novelty shops, variety stores, restaurants and hotels, an analyst wrote in 1949.

The General Services Administration found in a 1957 study that productivity in federal government offices increased by 9.5 percent when air conditioning was installed.

Although there were earlier attempts dating back to the mid-1800s to come up with something similar, modern air conditioning dates to 1902, when Willis Carrier invented a mechanical system and installed it in a Brooklyn printing plant to reduce humidity that had caused printed images to blur.

Mr. Carrier's name for his new product wasn't very catchy, though. He called it an "Apparatus for Treating Air."

A Southern engineer named Stuart W. Cramer coined the term "air conditioning" in 1906 for a similar device that he designed to control

humidity in North Carolina textile mills.

One of the first places most people encountered air conditioning in its early days was at the movie theater.

Gramman's Metropolitan Theater in Los Angeles became the first air-conditioned theater in 1922, and by the late '20s, movie houses became summer havens from the heat.

The chamber of the House of Representatives was air-conditioned in 1928. The Senate in 1929 and the White House, the Executive Office Building and the Commerce Department in 1930.

## KOREA: Clinton Calls the Developments 'Promising'

Continued from Page 1

said would amount to an act of war.

Mr. Carter said that when he arrived in Pyongyang the North Koreans were set to expel the inspectors sent by the International Atomic Energy Agency, a UN agency. But he said Mr. Kim had reversed his position and agreed to allow the inspectors to remain in place. The Korean leader also promised to see that surveillance instruments were kept in working order.

"President Kim has committed himself to maintain the inspectors on site in the disputed nuclear reactor and to guarantee that surveillance

equipment would remain in order," Mr. Carter said.

He said North Korea had additional "compromise proposals" they were prepared to pursue but he had not studied them in detail.

In Vienna, David Kyd, a spokesman for the atomic energy agency, said, "We welcome any indication of flexibility on the part of the North Koreans."

Mr. Carter said the North Korean leader had expressed a desire for a nuclear-free Korean Peninsula.

Mr. Carter met with Mr. Kim for three hours Thursday at a presidential palace on the outskirts of Pyongyang. The two men covered a

wide range of issues, but U.S. fears that North Korea is building a nuclear arsenal dominated the talks. Another meeting was scheduled for Friday.

The U.S. government said Mr. Carter, whose trip is described as private, was bearing no formal message from the Clinton administration. But he was being received in North Korea much as an official emissary.

"The time has come to establish full friendship and understanding, open trade, exchange of visits and full diplomatic relations between our two countries," Mr. Carter said. (AP, Reuters, AP)

## RATES: German Economic Recovery Is Strengthening, Bundesbank Says

Continued from Page 1

cent, the same level that is expected for France.

Günther Rexrodt, the German economics minister, told the Handelsblatt newspaper Thursday that Germany's economy could grow by 2 percent this year, but analysts said Mr. Rexrodt's forecasts were frequently too optimistic.

The Bundesbank said in its report that the recovery was being led by manufacturing industry. It noted that improved exports were helping western regions, where the mood among corporate executives had become notably more confident.

In its report, the Bundesbank also offered what appeared to be a rebuttal to critics who have suggested that in recent months it had

brushed aside the rapid growth of its M-3 money supply measure. The M-3 consists of current bank deposits and time deposits up of up to four years, and it grew by an annualized 15.4 percent in April, compared with the Bundesbank's 1994 target of 6 to 8 percent. On an annual basis, M-3 growth since June 1993 has been 11 percent.

The Bundesbank, which hopes that rising long-term yields will curb M-3 growth by attracting assets away from short-term deposits, insisted that it was following a "pragmatic" approach because M-3's surge had been distorted by "extraordinary factors." Among those have been changes in German tax laws that have made it more attractive to bring money back into the country from such overseas havens as Luxembourg.

The German central bank said its so-called

expanded M-3 measure — which includes non-bank deposits and Deutsche mark accounts at German bank subsidiaries outside of the country — had grown "considerably more slowly" than the regular M-3 money supply measure.

Alison Cottrell, a Bundesbank watcher at Midland Global Markets Research in London, dismissed the remarks about the expanded M-3 measure as what she termed "a fig leaf" for Bundesbank members to hide behind as they seek to explain away the faster than expected growth in money supply.

The June monthly report also said the government of Chancellor Helmut Kohl was likely to suffer a public sector budget deficit of about 130 billion Deutsche marks (\$80 billion) in 1994, in line with the 1993 deficit of 135 billion DM.

## BOOKS

WHAT THEY'RE READING

■ **Kay Rader**, director of the American Library in Paris, is reading: "The Mighty Sculpin," by Margaret Yourison. "She fascinates me. I like history, and it's sort of a mixture of history and philosophy." (Ilse Gersten, JRT)



black artist devoted to his work as well as something of the father figure he sought all his days. Baldwin was, Learning writes, "not yet fully aware of his own homosexuality or of the demands of his vocation."

But Delaney, "himself a homosexual, a minister's son, and an artist, was there as a father in art, to help this younger version of himself through a crucial passage — [teaching] his protégé to react to life as an artist."

By the time he left for Paris some

eight years later, on the first of a series of journeys into exile, Baldwin possessed the themes he would explore throughout his career. There was racism and his ambivalence toward his father. There was also his vision of himself as an outsider, a victim of being both an artist and a homosexual.

And there was the preacher, driven to force America's attention to the way racism crippled both black and white. These themes would fuel an astonishing variety of work — essays, plays,

novels, stories and poems — done despite chaotic living conditions, failed love affairs, residences in Paris, New York and Turkey, and commitments to the civil rights and black power movements.

Now, seven years after his death in 1987, Baldwin remains, as Ralph Ellison wrote in the foreword to one of the archetypes of what it is to be a black male writer. Thus it is difficult to criticize him. Still, it must be noted that, while Learning is right in characterizing Baldwin as a prophet and preacher, he scarcely alludes to the fact that this was Baldwin's failing as well as his strength as an artist.

Baldwin began by rejecting the kind of protest novel written by Richard Wright, preferring to be simply a writer, not "a Negro writer." Soon, however, he began to see art as an agent for social change. The preacher had always been evident in Baldwin's essays and polemics; now he never left the pulpit for long in the novels and stories.

A further irony is that the writer whose work was so concerned with love and its power to make white Americans understand their funda-

mental connection to black Americans was unable to find it in his own life. He wanted, desperately, "to be loved for himself, not as a son or as a brother or as a black man, but as a human being with flesh-and-blood needs."

Biographers must enjoy an intimate relationship with their subjects, and it is perhaps inconceivable that a writer could create a good biography of someone he despises. In this case the intimacy of the subject-biographer relationship — Learning was Baldwin's secretary for four years and obtained his consent to write this biography in 1977 — seems to have colored the book.

The result is that there is hardly a word of criticism here. Learning seems convinced that every word Baldwin wrote is important and will endure. Perhaps he is right. What seems more likely is that Baldwin was a product of a particular place and time, a messenger who began by wanting to destroy certain stereotypes and, instead, created new ones.

David Nicholson regularly reviews books for The Washington Post.

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# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Beyond the Face-Lift

The hope remains that President Bill Clinton's D-Day tour of Europe signaled a new start on the administration's troubled foreign policy. In that regard, the replacing of three officials responsible for Europe could be a good first step. Richard Holbrooke will take over from Stephen Oxman as an assistant secretary of state. Alexander Vershbow will replace Thomas Simons Jr. as coordinator of aid programs to the former Soviet Union. These changes are useful, but probably do not go far enough to calm the gathering storm over the administration's foreign policy performance. Mr. Holbrooke brings intellectual and bureaucratic authority in his new job. Mr. Vershbow won high marks as Mr. Oxman's deputy. And Mr. Simons's replacement could re-energize a lagging aid effort.

What worries Americans and foreigners alike is the damage to U.S. credibility when an administration repeatedly fails to stand by either its promises or its threats. They are also troubled by an inability to focus on priorities and a decision-making process that seems to go on interminably and then produce only split-the-difference fudge.

The problem is not, as often argued, the president's lack of attention to foreign policy. His grasp of the important global issues is impressive. Nor does he lack ability to speak effectively, as he demonstrated during the D-Day tour. The problem is that he has deliberately cultivated the impression of a domestic-oriented president not personally engaged in foreign policy. That lack of visible leadership has become a major liability, weakening his ability to win Congress to his domestic agenda. The example of Jimmy Carter tells us that

if he allows the perception of not being quite up to the job, it could threaten his re-election. Neither Warren Christopher as secretary of state nor Anthony Lake as national security adviser has made any significant impression on the international diplomatic and security community. They have not articulated a compelling vision of America's future place to the world. They have failed to generate confidence at home or abroad that the State Department or the White House situation room are in the hands of people who reach firm, reliable decisions and focus Mr. Clinton's attention where it ought to be.

The administration urgently needs to put forward a short list of what foreign policy problems really matter to America today. Ticking off the worthy goals of democracy, markets and expanding trade and a geographical catalogue of Europe, Asia and the Middle East will not do. Focusing on key countries like Russia, China and Japan and specific issues like the World Trade Organization, nonproliferation and oil security would.

The administration also needs to be far clearer on what it is prepared to do to resolve these problems. It has endlessly debated the issue of multilateral versus unilateral military action. But most of the problems that belong on the short list do not lend themselves to military approaches.

The latest staff changes, coming on top of the promotion of Strobe Talbott to deputy secretary of state, strengthen the Clinton administration's foreign policy team, but only at midlevel posts. These appointments could contribute to a fresh start, but direction will have to come from the president and, probably, from new leaders in one or more of the top jobs.

—THE NEW YORK TIMES.

## A Boost for Kohl

The European parliamentary elections recall Winston Churchill's complaint about a pudding, that it lacked a theme.

A swing to the right among voters in the 12-nation European Union? Well, yes, except that Socialist parties emerged with the most seats in the European Parliament: 200 out of 567. True, Italy's former Communist Party did worse than expected, causing the resignation of its leader. But former Communists in Eastern Germany did better than expected on their old turf, winning a surprising 40 percent in what used to be East Berlin.

The European Parliament has only limited powers and is far from being the legislative seat of a true European Union. But these elections offer a useful barometer of political shifts. And this poll produced a big and unexpected winner, Chancellor Helmut Kohl of Germany. That could be important not just for Europe but for President Bill Clinton.

Outside Germany, protest voters punished longtime incumbents for failing to end a persistent recession. But Mr. Kohl's Christian Democrats held their ground, taking 39 percent of the vote, some seven points more than the opposition Social Democrats. The far-right-wing Republican Party crumbled, while the Greens, an environment party competing for left-wing votes, increased its share to 10 percent.

This was an excellent outcome for Mr. Kohl,

who in October faces what was supposed to be his toughest national contest. The luck of rotation will give the chancellor a further boost—in July, Germany assumes the European Union presidency, meaning that his ample image will be dominating prime time through the campaign. Thus the most generally underestimated of European leaders seems poised to become the Continent's strongest political figure.

Mr. Kohl's skill as a horse trader will soon be tried, at the European Union conference in Corfu on June 24 and 25. The main task will be finding a successor to Jacques Delors, "Mr. Europe," who heads the Union's Brussels bureaucracy. The two leading contenders are Belgian Prime Minister Jean-Luc Dehaene and his Dutch counterpart, Ruud Lubbers.

Nationalist opposition, especially in Britain, has stalled the drive to greater unity. But if the European Union cannot deepen, it can still widen. In a weekend referendum, two out of three Austrians wanted to seek membership, which improves odds in Sweden, Finland and Norway. Adding new members will not resolve arguments over a common currency or a common initiative to end the slaughter in the Balkans. But new members could restore lost vitality to the European Union, which still remains discouragingly stuck to the left-of-center.

—THE NEW YORK TIMES.

## A Nasty Nuclear Mess

At the heavily polluted sites where the U.S. government produced nuclear weapons for nearly 50 years, a great cleanup is now under way. Nobody can say what it will cost. The country has not made up its mind on the fundamental issues—how clean these sites should be and how fast the job should be done. This year the Energy Department will spend \$6 billion on this work, with similar outlays scheduled as far ahead as the eye can see. Uneasy about these huge costs, Congress asked its Congressional Budget Office to take a look. In response, the CBO has offered a useful discussion of the nature of environmental risk.

In some places it would be safest to do nothing for many years, leaving installations isolated and guarded until well into the next century when radiation levels will have declined. That is what the Energy Department has decided to do with eight reactors at Hanford, Washington, that for decades produced plutonium and other ingredients of nuclear explosives. To remove the reactor cores and dismantle the buildings 75 years from now would cost one-third as much, with one-third the exposure to radiation of the people doing the work, as doing it immediately.

Sometimes the cleanup creates risks—when, for example, burning dirt to destroy pollutants may blow toxic residues into the air. Unless hazardous materials are likely to leak into the atmosphere or water supplies, leaving them alone is often worth considering. The CBO suggests that the Energy Department may often be more likely to waste money by moving too fast rather than too slowly. In many places it has signed agreements with the Environmental Protection Agency and state regulators promising action on a timetable. But sometimes there is no effective technology to carry it out. In those cases it might do better to renegotiate the agreements and provide time for the development of better methods.

Although the nuclear weapons plants have reputations for toxic pollution, the CBO cites EPA studies concluding that hazardous waste sites present less danger to health than many more common threats—indoor air pollution for one, pesticide residues in food for another. The way the federal government is currently allocating its spending on environmental hazards is not closely related to the risks as they are assessed by the experts it has consulted.

That raises a question about the annual outlay of \$6 billion for this nuclear cleanup. It is the right figure only if the money is buying more health protection than it could if aimed at other kinds of pollution. Having spent half a century creating the messes at the nuclear installations, the country has now committed itself to correcting them. But in some of these cases it may be wiser and safer as a matter of environmental policy to leave them alone for another half-century.

—THE WASHINGTON POST.

## Other Comment

### The Post-Election Europe

It is difficult to say whether Europe comes out stronger or weaker from the European Parliament elections. The drop in voter participation demonstrates that the cheers of Europe's fans are getting weaker. Europe's importance in the face of the Yugoslav tragedy, its economic decline and the spread of unemployment have not sufficed to arouse interest. The new political landscape, in any case, will bring a tendency to give precedence to the advantages of a wider market, postponing the deadlines for the federal constitution, monetary union, common foreign and defense policies, the Social Charter and the rights of citizens.

—Il Giorno (Milan).

## Afraid of Inflation, Unafraid of the Jobless

By Jim Hoagland

WASHINGTON—One man's job is another man's basis point in the brave new economic world of the central bankers. Being unemployed may be bad for you, but cheer up. It cools inflation and should be good for the markets.

That is part of the unspoken (and unspeakable) philosophy that lies behind the manipulation of interest rates in the world's leading industrial economies in recent months. Because of the central bankers' abiding and unbalanced fear of inflation, declining unemployment rates have become a real trigger for raising interest rates.

Even if they have not noticed it, most Ameri-

goal to be sought by government but something to be opposed at all costs.

In America, alarm bells now go off when 6.2 percent or less of the work force is unemployed. In Europe, the central banks' threshold number is closer to 10 percent. Anything less is a cause for gloom in the markets and action by the central bankers, who see a sustained decline in unemployment as a terrible development: a signal that 1970s-style inflation is on its way back.

### Central bankers see a sustained decline in unemployment as a terrible development.

The bankers and fund managers resemble old generals refighting the last war after the battlefield has changed. They build a Maginot Line of high long-term interest rates instead of adapting monetary policy to a world in which the greater barriers to economic renewal are unemployment and lack of public investment in productive enterprises.

This is tiring at windmills," says the New York investment banker Felix Rohatyn. Market heavyweights like Mr. Rohatyn, a Democrat, and Pete Peterson, a Republican, support the objectives of fighting inflation and deficit reduction. But they say they have to be coupled with sensible increased spending for national infrastructure to cut both short-term and long-term unemployment.

American policymakers have in fact moved from striving for full employment (in the 1960s) to accepting 4 percent unemployment as a tolerable feature of the labor market (in the 1970s) to today's 6 percent threshold with little public discussion. This hidden assumption about the "right" level of unemployment has Reaganomics to Clintonomics, and links Paul Volcker's policies to those of his successor, Mr. Greenspan.

"Not long ago, 4 percent growth and 4 percent unemployment were not seen as something to

worry about," says Mr. Rohatyn. "In recent years, technology, restructuring and foreign competition have put significant downward pressure on prices and wages. It is illogical then to change the parameters and treat 3 percent growth and 6 percent unemployment as danger signals for inflation."

Why are the politicians quiet about this when the investment bankers speak out? They seem cowed by the success of Ross Perot's deficit-cutting demagoguery and by the dangers of seeming soft on inflation.

The influence that Mr. Greenspan seems to exert on Bill Clinton is one theme of Bob Woodward's timely new book "The Agenda." The portrait of President Clinton is a familiar Southern one of the responsible populist—his heart is with the little man, but the banker just won't let him do the right thing. So the president reluctantly agrees to put his first priority on fighting the deficit and inflation instead of pushing for the billions in public investment in education and other infrastructure projects pledged to his 1992 campaign.

The Economist argued recently that neither the administration nor the book examines the premises of that "false dichotomy." The magazine added, "Not only are deficit reduction and big public investments not mutually exclusive; the latter are more or less impossible without the former," and "this brutal truth escapes the political people" around Mr. Clinton.

Mr. Rohatyn is more succinct: "Unless you have growth you cannot reduce the deficit."

Growth is measured in jobs as well as in stock and bond prices. Low inflation rates purchased by high unemployment will turn out to have been a dubious bargain.

The Washington Post.

## Three Steps to Tame Tribalism and Unify Europe

By Arthur Schlesinger Jr.

NEW YORK—This is a problematic moment in the long history of Europe. Only a short while back, the magic number 1992 aroused expectations of a vibrant new Europe, united, more prosperous, more undivided than ever before. Today the dream of European unity seems more distant than it was a decade or two decades ago.

What has befallen that dream? The answer is plain: nationalism.

Nationalism can work for good or ill according to the circumstances. It was nationalism that defeated the forces, like Napoleon and Hitler, who tried to unify Europe by force of arms. It is nationalism that today frustrates leaders whose benevolent vision is to unify Europe by shared interest and mutual benefit, by persuasion and consent.

Nor has the end of the Cold War helped. The Soviet threat was a potent factor in the promotion of European unity. As the threat evaporated, so did the felt need to unite against a totalitarian enemy—or even against the savagery unleashed to what once was Yugoslavia. Nothing has more discredited the vision of European unity than Europe's impotence before the Bosnian tragedy.

As a Yugoslav political scientist well said—and who should know better—"minorities are going to be an acid test for all post-Communist societies. With communism all but disappearing, tribal instincts are coming back." And the hostility of

one tribe toward another is among the most ancient of human reactions.

On every side today, to every sector of the broad planes, ethnic and religious fanaticism is breaking nations. "The virus of tribalism," says The Economist, risks "becoming the AIDS of international politics—lying dormant for years, then flaring up to destroy countries."

High technology is shrinking the globe and overriding traditional boundaries. But integrating pressures drive people to seek refuge from global currents beyond their control and understanding. The more people feel themselves adrift in a cold, impersonal, anonymous world, the more desperately they embrace some warm, familiar, intelligible, protective human unit—the more they crave a politics of identity.

Integration and disintegration thus are the opposites that feed on each other. The more the world integrates, the more people cling to their own in groups increasingly defined to these post-ideological days by ethnic and religious emotions.

Yugoslavia is only the most murderous portent of a darkening future. What was once the Soviet Union contains 104 distinct nationalities, 22 of which have populations of more than a million. Twenty-five million Russians live outside Russia. The Institute of Geography of the Russian Academy of Sciences tells us that

there are now more than 160 border disputes in the ex-Soviet Union.

Two million Hungarians live in Romania, 700,000 in Slovakia. In all, 30 percent of the Hungarians live outside Hungary. And 300,000 thousands Germans and 200,000 Ukrainians live in Poland. Nor is Western Europe lacking in ethnic, religious and linguistic enclaves.

According to the 1993 UN report on refugees, more than one in every 120 people on the globe is a refugee. It is estimated that 25 million people will migrate into the European Union in the next decade, mostly people of alien colors, creeds and customs. Xenophobia and racism are already the defining themes in European politics.

How are democratic societies to cope with ethnic, racial and religious heterogeneity?

The United States had the advantage of settlers who (mostly) came to its shores precisely in order to acquire a new identity. Citizenship has been defined in terms not of ethnic origin but of political ideals, however imperfectly we Americans have lived up to those ideals.

We have developed traditions and agencies of assimilation. The melting pot, though uneven in its workings, has created a new nationality, *e pluribus unum*. As Gunnar Myrdal wrote in "An American Dilemma," his great study of race relations in the United States: "The minority peoples

of the United States are fighting for status in the larger society; the minorities of Europe are mainly fighting for independence from it."

So there are evident limitations on the value for Europeans of the American experience. I am sure, however, that Europe must move beyond the idea of ethnic nations—the doctrine that citizenship should be based on bloodlines rather than on principles.

Under current German law, for example, people of German extraction who have never lived in Germany have a better legal claim to German citizenship than do people of Turkish origin who have lived in Germany for a couple of generations. Europe must accept the inevitability of heterogeneity—and the consequent need to persuade heterogeneous peoples to live together in civility and harmony.

The first necessity is the rule of law. Those who seek citizenship in a country can reasonably be called on to abide by the country's constitution and laws. There are persons of ancient religious faith who come to a country and say that they will obey only those of the country's laws that conform to their understanding of the Koran or some other sacred text. Such intractable communities are hard to reconcile with a democratic polity.

A second necessity is productive employment. Competition for jobs intensifies ethnic and racial hostilities and feeds political extremism. Economic growth will not cure ethnic prejudices, but it will mitigate some of its worst effects.

A third necessity is an international framework dealing with minority rights. A resolution adopted by the UN General Assembly in 1970 declared that the right to self-determination should not be applied in a way that would break up composite states when those states respect human rights. But how to assure that respect? How to strengthen the international machinery for the protection of minorities?

The Dutch proposal for a High Commissioner for Minorities deserves more serious consideration than it has received from the Conference on Security and Cooperation in Europe. Others suggest that the existing European Court on Human Rights take on the protection of minorities.

Robert Badinter, president of France's Constitutional Council, recommends a European Arbitration Court. If Hungary, for example, filed a complaint about the treatment of ethnic Hungarians in other countries, the judges would work out a reasonable solution and begin to build up legal precedents that would in time amount to a common law for minority problems. To avert an age of Yugoslavia, the nations of Europe must create some trans-European means of reducing ethnic conflict.

If we cannot de-ethnicize the concept of citizenship, provide jobs and develop machinery to protect minorities, it is hard to see how the descent into tribalism can be stopped and the dream of European unity revitalized.

The writer, professor in the humanities at the City University of New York, contributed this comment to the International Herald Tribune.

## Get Moving and Lock In Europe's East

By Flora Lewis

DRESDEN—It will take 30 years to rebuild the Frauenkirche—the 18th century church that was this city's proudest monument until a massive Allied air raid in the closing days of World War II destroyed practically everything. But the work has started, stone by numbered stone.

The decision to restore Dresden to the baroque magnificence that earned it the name of Florence of the North is being carried out. Already palaces, museums, broad terraces along the stately Elbe begin to match the old paintings of the capital of Saxony, once one of Europe's richest kingdoms.

This is at the heart of what reunification means in Germany, restoring the link with the past and with its European neighborhood. The Communist East German regime had finally started some reconstruction in the 1980s. But for a long time it deliberately left the rubble and damage to mark the break with the past and recall the city's passage of horror.

As Premier Kurt Biedenkopf puts it, until the collapse of communism the Federal Republic was the easternmost part of Western Europe. Now "Germany is the center of the West." That is meant psychologically and historically as well as geographically. "With a Polish pope, how can it be denied that Poland is part of Western Europe?"

Mr. Biedenkopf is a West German Christian Democratic politician who came east to help and is now the most popular and successful leader in the area. It will take up to another decade, he thinks, for the "new Länder" of the former East Germany to be-

come competitive with the West. But he is optimistic, despite strains and resentments on both sides, because there is so much help. "Half the money we spend in Saxony," he said, "comes from the West." There are huge problems, but compared with the rest of ex-Communist Europe, the situation, he said, "is ideal."

Jan Urban, a former Czech dissident, agrees, pointing out that in addition to money and guidance, what were German Communist lands automatically acquired a judicial system and a set of laws to underpin transformation to democracy and the market. The other countries have to struggle with that.

The lessons of his special experience are evident for Mr. Biedenkopf. "The socioeconomic factors are the most important, and the most difficult," he said. "The one thing you can't speed up is learning. You have to transfer knowledge in a way that bolsters people's injured pride and makes them feel part of a community."

From this he draws the conviction that at least the Visegrad countries—Poland, the Czech Republic, Slovakia and Hungary—must quickly be assured of inclusion in the European Union and of NATO's concern for their security. Otherwise there will be tension on Germany's borders, torments of migration, and instability that will hurt the whole of Europe.

In the West, integration could start with economics because there was a common economic system and the politics were harder to merge. But for the lands to the east it would cost too

much—he estimates 5 to 7 percent of the total of Western Europe's GNP—for a decade to bring them to a level where they could begin to sustain open competition. "So it has to start with politics," he says, and he is impatient.

Mr. Biedenkopf's proposal is to separate timetables for economic and political inclusion in European Union, the second much more rapidly than the first, for the benefit of West as well as East. The Easterners should be advisory participants in the big 1996 European Union conference, projected by the Maastricht treaty to review European institutions after the inclusion of Austria and probably the Scandinavian countries.

For the East, this assurance of prospective admission would help stabilize democracy. Dangerous reactions of disillusion and frustration are already appearing in rising nationalism and the return of Communist power structures. For the West, it would help reach more frightened, wiser decisions on organizing the future Europe than are likely to result from interim, tactical measures.

There is no question that the fall of the Berlin Wall and what it symbolized is going to force change in Western Europe. Much of its structure arose from the partition of Europe. Difficult adaptation will be necessary, for example in agriculture cut off from the historical Eastern lands.

This is easier to grasp in Dresden than in Western cities, where little has changed. Last week's European elections showed no sense of urgency. That is an illusion. Europe is at a watershed and it must move on or be rent with new upheaval.

Flora Lewis.

## War Drums Don't Rush Clinton

By Richard Cohen

WASHINGTON—This town is itching to go to war. But with whom? Some in Congress and the journalistic community would prefer Bosnia. Others would prefer Haiti, where sanctions have been tightened and rumors abound that the Yanks are about to hit the beach. Still others prefer North Korea. Bomb its nuclear facilities and then, if we have to, fight another war on the Korean Peninsula.

If Bill Clinton did what was asked of him, the United States could be fighting in three different places at the same time—and maybe, as to the Vietnam War era, in its own streets as well. It is to his credit that America is fighting nowhere yet.

Waves of trigger-happiness come and go, sometimes abetted by a presidential remark or two, but Mr. Clinton just waits them out. Now, though, the war drums are growing more and more persistent: something has to be done about North Korea—and quick. Something indeed has to be done. But what's the rush?

To most Americans, the Korean crisis must be nearly incomprehensible. What with the IAEA and the NPT, fuel rods and plutonium, it suggests a college course to be avoided at all costs. Yet America may well be going to war in Korea.

If war comes, it will only be after the Clinton administration has given North Korea every chance to get out of the box it has got itself into. That is for sure, what North Korea's intentions are. Is Kim Il Sung really intent on developing a nuclear arsenal and, possibly, selling those weapons to other rogue states like Libya or Iraq? If so, war is down the road a piece.

If, however, North Korea has blundered into its present spot or, by some wild chance, wants to leverage its nuclear program for some economic goodies, it is going to find an attentive ear in Washington. A second Korean War, after all, is almost unthinkable. Seoul is within artillery range of North Korea. So for that matter, many of the 37,000 U.S. military personnel stationed in South Korea. At its minimum, this would be an ugly war.

In fact, the stakes are so high that the administration is inclined to let bygones be bygones. If North Korea wants to retain ambiguity about its past nuclear program, the Clinton administration is not going to protest. What matters is the course North Korea takes in the future—not whether it has the two bombs that the CIA says it may have, but whether it tests an atomic weapon and tries to develop others. Pulling out of the Nonproliferation Treaty would be a telling signal of intentions, and so would removing cameras and other devices by which nuclear programs are monitored. These steps would certainly heighten the crisis.

Trouble is, that is the course that North Korea seems to be on. It seems hell-bent on doing—what? No one can be sure. The only certainty is that it is playing a dangerous game. If said sanctions would be tantamount to war, and the Clinton administration has promised sanctions. Moreover, an American military buildup is under consideration. The administration is serious about being taken seriously.

The administration is following a prudent course. Bit by bit it is increasing the pressure on North Korea without issuing the sort of ultimatums that might be seen as a provocation. After all, time is not North Korea's ally. It is an old regime, deep into ideological senility. Its people are impoverished, the country near ruin. Some military units are not combat worthy because the personnel are undermanned, and in certain factories, managers fear that starving workers will foment and fall into the machinery. They fear the loss of the machinery, of course.

Sooner or later, North Korea will go the way of East Germany and, to the chagrin of South Korea, ask for a reconciliation—and a handout. In the meantime, the United States and other countries must deal with a maddening, if not mad, regime whose intentions are neither clear nor, maybe, rational. Either way, North Korea has to understand that it simply cannot have a nuclear weapons program. The world, not to mention Bill Clinton, will not stand for it.

A war in the case of unprovoked aggression may well be unavoidable. But a war based on misunderstanding, and triggered by exaggerated notions of national pride ought to be avoided at all costs. If Mr. Clinton wants to take some time feeling out the North Korean position, then he ought to have it. What's the rush? There's always time for war.

The Washington Post.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

**1894: Attempt on Crispi**  
ROME—The greatest commotion was caused to the city-to-day [June 16] by an attempt to assassinate Signor Crispi. As the Premier was going to the Chamber to-day an Anarchist fired at him with a revolver. The first shot went wide, the second shot also missed, and before he could fire again a rush was made on him from all sides and he was disarmed. During this time Signor Crispi remained impassible. He showed no sign of fear, but smiled and said it was nothing. The crowd gave him a perfect ovation, shouting "Viva Crispi!"

**1919: Allies Grant Delay**  
PARIS—More delay! The Supreme Council again gave way to the Germans yesterday [June 16]. An official communication issued last night said they had two more days to sign or reject the Peace Treaty. The following is the text of this communication: "The German delegation has

pointed out that the delay of five days given to the German Government is not sufficiently long... In view of the desire expressed by the delegation, a supplementary delay of forty-eight hours has been granted to the German government in which to reply 'Yes' or 'No'.

**1944: Town Is Stormed**  
FRANCE—[From our New York edition:] American forces, including paratroopers, overwhelmed German resistance today [June 16] and advanced five miles to capture the town of St. Sauveur-le-Vicomte, an important road junction on the Cherbourg peninsula. Other American units fighting at the northern end of the beachhead, recaptured Montebourg, which had been taken from them yesterday in a German counter-attack. The swift advance which brought St. Sauveur into Allied hands placed the Americans two-thirds of the way across the base of the peninsula.

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The Château de Grand-Lucé in the Loire Valley; June is garden month in France.

## Touring France's Great Gardens

By Jean Rafferty

PARIS — It's June and France is in the grip of garden mania. The snip of pruning shears and the thud of the spade echoes from rooftop Parisian terraces to château parterres. With an enthusiasm they once reserved for tennis or golf, French gardeners-to-be are throwing to a host of horticultural fairs.

The latest one, L'Art du Jardin, was spread over almost 10 acres (four hectares) of the Parc de Saint-Cloud on the western edge of Paris and attracted 55,000 visitors. Inspired by the Chelsea Garden Show, it featured 20 model gardens ranging from a minimalist Zen design to a farmhouse flower patch complete with geese and a goat. Also displayed were the wares of 200 nurseries, craftsmen and artists and garden furniture and equipment.

"It's intoxicating, but it's high time," said Jacques Gérard, a fair exhibitor, of the green-thumb boom. As owner of the 60-acre La Fosse botanical park in the Loire Valley, he was hoping to attract more visitors to the historical landmark garden his family has owned and expanded since 1751.

At the next table, the garden designer Pierre Joyaux was showing pictures of the rose garden and four other gardens he is restoring at the château at Ainay-le-Vieil. He said that Ainay was one of "a hundred projects to restore historic gardens" he is working on. "Tourists are bored just looking at the châteaux' ancestral portraits," he says. "The garden is an added attraction."

There is burgeoning passion for the potager, or kitchen garden. At the beautifully restored 17th-century floral and vegetable potager of Saint-Jean-de-Beauregard at Les Ulis, just south of Paris, the Vicomtesse de Curel is reaping the benefits. "We have husbands of garden lovers from England, America and even New Zealand coming to visit," she said.

In the 17th century, the fashion for grand design began at the top with Louis XIV and his Versailles gardener, André Le Nôtre. It's the same today. As a finishing touch to his Grand Louvre project, President François Mitterrand is revamping the Le Nôtre redesigned Tuileries gardens. With twice as many

visitors as the Louvre itself, the Tuileries was in dire need of rehabilitation.

At the launch of the seventh annual government-sponsored "Visit a Garden in France" campaign, Culture Minister Jacques Toubon and Environment Minister Michel Barnier inspected the progress of the Tuileries' 300 million franc (\$35 million) renovation. The results, which should be noticeable by the end of the month, are best viewed from I. M. Pei's new terrace, which now links the Tuileries to the gardens of the Carrousel.

The garden campaign in June is highlighted by a number of open days and events in many private gardens. A guide to 190 outstanding French gardens is available from most French tourist offices. One of the most amusing exhibitions is of the winners of a scarecrow contest at the Potager du Roy, Louis XIV's vegetable garden at Versailles. Guided tours leave from 6 Rue Hardy at 2:30 P.M. Wednesday through Sunday.

The French are designing contemporary Parisian parks. Surprising, even perturbing to garden classicists, but well worth discovering, the 19-month-old Parc André-Citroën on the south bank of the Seine in the 15th arrondissement is an impressive demonstration of the new genre. Separated by a fountain of 120 jets, two giant glass greenhouses, punctuated by towering oak-veneered columns, dominate the almost 35-acre park, which incorporates 14 gardens.

What looks grandiose couldn't be more visitor-friendly. A vast central lawn is open for visitors to walk, sit or recline upon. In six small gardens, each dedicated to a color and a

sense, one can linger in a blue arbor of fragrant wisteria or taste red cherries in season. A black garden of deep purple iris and dark pines is ringed by brilliant splashes of pink rhododendron and flaming azalea.

Galle garden fever has even gone indoors, in two Paris gallery shows. At Artcurial until July 9, Claude Lalanne's gilded bronze art jewelry features a mimosa ocellus, lilac earrings and a silver onion watch. There's also a butterfly chair, and a garden snake to her gilded paradise decorates a bedside table. Pierre Paschebon's Galerie du Passage spotlights the architect-gardener Kim Moltzer's sleek furniture designs until June 15. Celery stalks inspired the legs of a chaise longue, bamboo, a "bouquet" of lamps, and a fountain takes its form from giant gunnera leaves from the Amazon.

Moltzer will also be opening the gardens of his Normandy, Château de Billeul to the work of seven contemporary artists from the end of June throughout the summer.

At another country show, at La Garenne Lemot in Clisson near Nantes until Sept. 4, the potager pops up again as the focus for a rare exhibition of watercolors of flowers and vegetables from the private archives of the Vilmorin seed family. Cleverly set by the Parisian florist Christian Tortu with arrangements of fresh flowers, arachnids, asparagus and melons, two rooms of 238 paintings disappoint only because one wishes Vilmorin had shown more of its reputed 9,000 documents.

But the discovery of La Garenne estate and the town of Clisson, a little piece of Italy in Brittany, is compensation. Back from Rome just after the Revolution, the sculptor François-Frédéric Lemot designed a neo-classical Italian villa, rustic farmhouse and park, buying the ruins of the Clisson château to safeguard his view. The town rebuilt in a similar style. A promenade in the park along the river Sèvre reveals a picturesque grove, two temples and "Rousseau's rock," but also modern additions, including a large, garish gnome — the very definition of why a gnome is persona non grata in the tasteful garden.

Jean Rafferty is a Paris-based journalist who specializes in design and lifestyle.

### HEAR THIS

■ A Japanese firm has put out a CD called "The Frog Chorus," a concert by 36 species, alone and together. "We first planned to make an insect song CD," a sales executive told Reuters, "but their voices are so high they sound unnatural." No whales, huh?

## IN THE CLUBS

### Venice 'Nightlife'? The Trick Is to Find It

By John Brunton

VENICE — It's hard to believe there is any city in the world without a discotheque, but that's pretty much the case with Venice. For the millions of travelers who pass through the city each year, nightlife doesn't really exist.

Visiting Venice means walking for most of the day, and for many tourists getting a good night's sleep after dinner is all that's on their minds. oot the prospect of clubbing the night away. Most restaurants call last orders around 9 P.M. and it is clearly impossible to get a drink in a bar much after 11 P.M.

Ask your hotel concierge what's on offer after-hours, and he will lamely suggest the hotel bar or an excursion to the Piazza San Marco for an overpriced cocktail in the Caffè Florian. Sitting in a velvet armchair in one of the gilded salons of Florian is nice, but it can't be described as "hitting the town."

There is only one real nightclub in the city worth tracking down, the Malvasia Vecchia. Hidden away behind the Fenice, Venice's opera house, the club is in the corner of a

tiny courtyard off the Fondamenta de la Malvasia Vecchia. The name refers to slightly sweet, cherry-type wine from a group of islands off the Istrian coast, which is served in the club.

There is no point arriving too early, as nothing gets going till around midnight, and there are two exotically named locations worth checking out beforehand: Paradiso Perduto and La Dolce Vita. Paradiso Perduto is a huge, noisy bar on the aply named Fondamenta de la Misericordia, always lively, slightly louche. La Dolce Vita, by contrast, is smart and chic, with reasonably priced cocktails and great fresh pasta.

You won't hear loud music blaring outside the Malvasia Vecchia as any nightclub in Venice has to be soundproofed to deter complaints from the neighbors. Still, as you walk down the dimly lit alleyway that leads into the Corte Malatina, you will know you're in the right place, as there is usually a crowd waiting.

There is no entrance fee, but to get around licensing laws the club is officially a "cultural association," which requires membership. If you're a foreigner and you bring your passport, however, there is normally no problem getting in.

The decor is minimalist, kind of neo-noir with cream walls, open bricks and blackened beams. Although the place gets packed, the atmosphere remains casual, with clients ranging from students to businessmen. The restaurant serves late, so you can get a meal at 2 in the morning — a miracle in Venice.

There is no particular closing hour, although according to the owner, Alfredo, former glass artist from Murano who was reluctant to have his last name published — it is always well after 3 A.M. When you leave the club, be sure not to take the wrong passage out of the courtyard: It leads straight into a canal.

Malvasia Vecchia, 2586 Corte Malatina, San Marco. Tel: 520.5757. Open daily from 7:30 P.M. No entry fee, annual membership of 10,000 lire (\$6). Draught beer 3,000 lire (\$3). Cocktails 7,000 lire. A meal of pasta followed by grilled steak or fish costs about 30,000 lire. La Dolce Vita, 2824 Rio Tera de le Scuole, Dorsoduro. Tel: 523.1115. Paradiso Perduto, 2540 Fondamenta de la Misericordia, Cannaregio. Tel: 720.581.

John Brunton is a writer and photographer who lives part of the time in Venice.

## THE MOVIE GUIDE

### Barnabo Delle Montagne

Mario Brenta, Italy.

A film of stony silences, savage landscapes, and wordless, expressionless drama, "Barnabo Delle Montagne" (Barnabo of the Mountains) is based on Dino Buzzati's novel about a mountain ranger who inexplicably flees during a gunfight with a group of bandits. Set in the rugged Dolomite mountains in the northeast of Italy, Mario Brenta's film is full of striking scenery, imposing jagged peaks and alpine panoramas that are strangely claustrophobic and oppressive. Brenta, a student of Ermanno Olmi, creates a realistic facsimile of all the sights, sounds and most of all, the rhythms of life in the mountains. Unfortunately, he fails to emulate Olmi's extraordinary capacity to people his landscape with three-dimensional characters. Instead of being economical with his dialogue — in accordance with the reality of mountain life — Brenta is downright stungy. And the film

suffers for it. Played by Marco Paoletti, who is a real-life mountain ranger, Barnabo is neither protagonist nor victim, but simply an ultimately uninteresting enigma. Despite its spectacular photography, and the admirably realistic reproduction of the cadence of Alpine living, Brenta's film might just as well have been a series of still photographs accompanied by the sound of an Alpine thunderstorm.

(Ken Schulman, IHT)

### Speed

Directed by Jan De Bont, U.S.

The summertime oo-brainer needn't be entirely without brains. It can be as savvy as "Speed," the runaway-bus movie that delivers wall-to-wall action, a feat that's never as easy as it seems. This film's dialogue isn't much more literate than a bus schedule, but its plotting is smart and breathless enough to make up for that. "Speed" presents a falling elevator, a hijacked subway train, the above-

mentioned bus and Jack Traven (Keanu Reeves), the Los Angeles Police Department troubleshooter whose business is solving such problems. As directed with no-frills efficiency by Jan De Bont, the cinematographer on films including "Die Hard," "Basic Instinct" and "Black Rain," "Speed" takes its cue from its title. This film's sole objective is to keep moving, preferably at a pace that keeps the viewer from asking questions.

(Janet Maslin, NYT)

### Les Roseaux Sauvages

Directed by André Téchiné, France.

Wild reeds bend but do not break in the storm. This fable from La Fontaine is the central image of André Téchiné's new movie about growing up in the '60s. A country wedding, a boys' school, provincial flirtations and frustrations with fallow from the Algerian War — the opening scenes are set on familiar ground, and then the ground

tips. Matis (Florent Bonny) is a young Communist. He's a Frenchman (Gael Morel) has doubts about everything, especially his sexuality, his love, the subject is not Matis, his childhood sweetheart, but early on, Sébastien (Stéphane Kérian), this home-coming initiation is witnessed by Henri (Frédéric Guany), a scrawny, unloving student whose family was forced to leave Algeria. Henri has fierce colonial loyalties and the makings of a fascist. He flunks his tests, keeps the radio glued to his ears for news from home, and a maverick eye on his classmates. Bent on some kind of betrayal or destruction, he is, in the words of a teacher, not a reed but an oak; he will not bend, but break. And the movie is more about change than set ideas, love and sex than politics. Téchiné, who has turned out numerous mournful provincial chronicles focusing on a stately Catherine Deneuve, has done something surprising: He has made a film with new faces that looks like a good first film.

(Joan Dupont, IHT)

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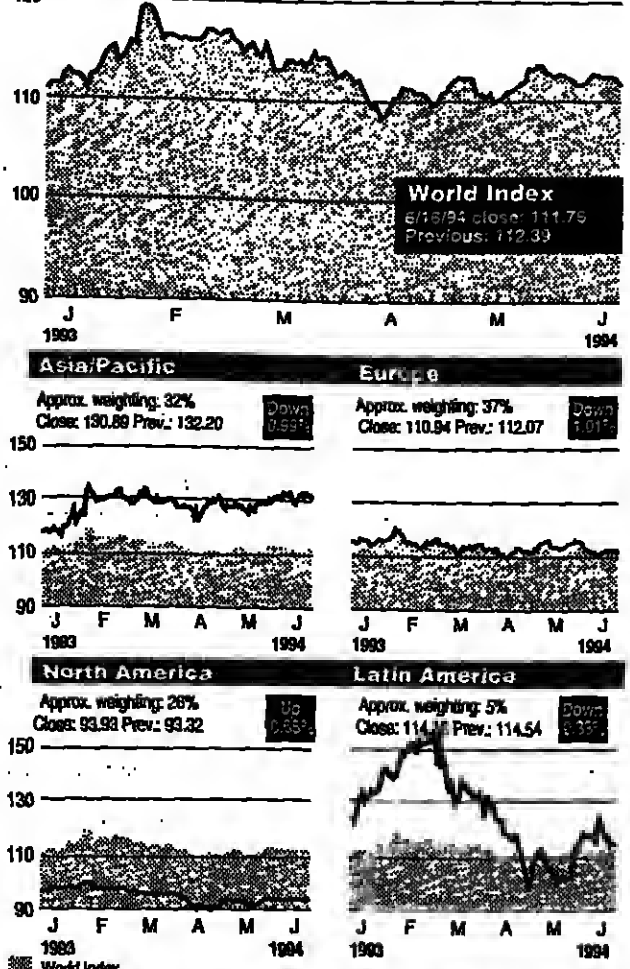
# BUSINESS

International Herald Tribune, Friday, June 17, 1994

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## THE TRIB INDEX: 111.76

International Herald Tribune World Stock Index composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers. The index is composed of the 50 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

Industrial Sectors	1994	1993	% change
Energy	110.46	110.04	+0.38
Utilities	117.14	118.74	-1.35
Finance	116.22	117.47	-1.06
Services	116.79	117.12	-0.28

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

## Japanese Surplus Narrows

### Gap With U.S. Widened in May

Compiled by Our Staff From Dispatches

TOKYO — Japan's trade surplus in May dropped to \$6.54 billion, the Finance Ministry said on Thursday, ending a five-month trend of rising surpluses.

The customs-cleared trade surplus fell from \$7.78 billion in May 1993.

However, Japan's politically contentious trade surplus with the United States widened to an unadjusted \$3.04 billion in May, from \$2.83 billion a year earlier.

Meanwhile, American and Japanese negotiators agreed Thursday to delay a decision on whether to continue the semiconductor trade agreement — one of the most visible areas of trade friction — and occasional harmony — between the nations.

A U.S. trade official said the American side hoped to continue the semiconductor agreement until its expiration in July 1994, but Japan is still reviewing its position.

The high yen helped dampen the growth of Japan's exports by boosting the price of goods.

Exports rose 4.2 percent in May to \$28.07 billion from a year earlier, while imports climbed 12.3 percent to \$21.54 billion.

Exports to the United States increased by 7.8 percent to \$8.05 billion and imports by 7.9 percent to \$5.01 billion.

Imports from Asia were particularly strong, growing twice as fast as imports from the United States and the European Union.

The semiconductor talks emphasized harmony following an announcement earlier in the week that foreign semiconductor companies continued to hold more than 20 percent of Japan's market in the first quarter of 1994.

Because it sets a 20 percent target for market share, the pact is seen by the Clinton administration as a model for future "results-oriented" trade agreements. Many in Tokyo feel Washington has unfairly used the target to browbeat Japan. (AP, Reuters)

## Cuba Dressing for Trade

### Latins See U.S. Embargo as Cold War Relic

By James Brooke  
New York Times Service

CARTAGENA, Colombia — Tailoring his attire to a changing foreign policy, President Fidel Castro of Cuba has broken his 35-year tradition of only wearing olive-green military uniforms in public and has appeared at a meeting with Latin America's civilian heads of state by wearing a white cotton guayabera shirt.

"We are all used to the general in olive green, and now he is in a guayabera," commented Cesar Gaviria Trujillo, Colombia's president and host to the annual Ibero-American summit meeting. "We think this represents a good change."

Mr. Castro looked slightly ill at ease in his public debut in civilian clothes, but it is generally assumed here that he donned the loose shirt out of more than a desire to comply with his Colombian hosts' request for informality at this tropical beach resort city.

Gradually emerging from decades of isolation in the Americas, Cuba over the last five years has tripled Latin America's slice of its foreign trade, from 7 percent in 1990 to 21 percent today.

With trade and investment growing steadily, Latin American leaders are increasingly open in their objections to the United States' 33-year trade and diplomatic embargo of the Communist-ruled island nation.

In an indirect slap at U.S. policy, the leaders of 19 Latin American nations and of Spain and Portugal approved a communiqué calling for the elimination of unilateral economic and trade boycotts.

The communiqué was a victory for Mr. Castro, who on Tuesday, at the summit meeting began, complained that "no one has said a word about the criminal and unjust blockade that for more than 30 years has been imposed on my country."

But blunt language in support of lifting the embargo was heard last week at a meeting in Brazil of foreign ministers of member nations of the Organization of American States. A Panamanian diplomat said the 1962 suspension of Cuba from the OAS as "a relic of the Cold War."

Calls for Cuba's return were heard from some of the organization's most powerful members — Brazil, Canada, Mexico and Venezuela — as well as from most of the Central American republics.

When the organization's secretary-general, Joao Clemente Baes Soares, received a standing ovation when he asked, "Hasn't the time come to readmit Cuba to the Latin American family?"

The U.S. ban on business with Cuba costs U.S. companies \$6 billion a year in lost opportunities, according to Representative Charles B. Rangel, a New York Democrat.

Mr. Rangel has sponsored a bill to lift the trade embargo, but President Bill Clinton has shown no signs of shifting policy on the issue.

Meanwhile, companies in other nations are signing deals with Cuba. Next week, Canadian officials, who have described the U.S. embargo as "unhealthy," are expected to announce a renewal of Canadian foreign aid to Cuban nongovernmental groups. Aid was suspended in 1978 to protest Cuba's military intervention in Angola.

As in much of the Americas, Canada's softer line toward Cuba reflects a steady growth in trade and investment since the collapse of the Soviet bloc five years ago. Last year, 130,000 Canadian tourists visited Cuba, accounting for 28 percent of the island's total.

This week, a Mexican company signed a \$1.5 billion deal to rehabilitate Cuba's decrepit telephone system. The deal dwarfs an additional \$150 million in Mexican investments that have been announced in the 1990s.

Two weeks ago, Spain, which accounts for a quarter of Cuba's 100 joint ventures with foreign companies, signed an investment protection treaty in Havana.

"We have been progressively strengthening our relations with the rest of Latin America," Ricardo Alarón de Quesada, the president of Cuba's National Assembly, said. "There is important Mexican investment now. Brazil is buying medicines. Tourism is increasing. There are concrete opportunities for Latin American countries to invest."

## OPEC Delays Naming New Secretary

Compiled by Our Staff From Dispatches

VIENNA — Ministers of the Organization of Petroleum Exporting Countries on Thursday failed to break a political stalemate over the choice of a successor to OPEC Secretary-General Subroto.

Instead, they made the OPEC president and Libya's oil minister, Abdullah Salem Badri, acting OPEC

secretary-general until their next meeting Nov. 16, delegates said.

The secretary-general, who is appointed for three years, is chiefly responsible for administering the OPEC secretariat in Vienna. He often mediates between ministers, who set OPEC policy.

The day-to-day work of running the secretariat office in Vienna will be handled by OPEC Governor for

## Inflation Fears Undercut Dollar And Hurt Bonds

By Erik Ipsen  
International Herald Tribune

LONDON — Fears of rising inflation once again rolled through Europe's financial markets on Thursday, propelling the dollar briefly to a new low for the year and pushing stocks and bonds.

The dollar briefly fell below 1.6280 Deutsche marks, considered to be a crucial level. In early May, when the American currency last touched that level it prompted massive central bank intervention — which was conspicuously absent Thursday.

In spite of the dollar's weakness, analysts suggested that they would be surprised to see any central bank intervention.

They noted that the moves that have occurred have come on extremely low trading volumes and, crucially, that they have not been the sort of sharp and disorderly movements that traditionally galvanize central bankers into action.

Government bond yields soared in Germany and stocks plunged to new lows for the year in France as concerns about inflation, due to rising commodity and oil prices, led institutional investors to dump holdings.

Stock averages dropped in Italy, Spain, the Netherlands, Norway, and Switzerland. In France, the CAC-40 fell 23.58 points to 1,942.81, its lowest level since last July.

In European bond markets

where the swings have been far more volatile, analysts noted that they, too, have come on extremely low volume.

Among the benchmark 10-year government bond yields, German returns rose to 7.13 percent from 7.02 percent. French yields were up to 7.57 percent from 7.49 percent and British gilts rose to 8.74 percent from 8.60 percent.

Few analysts see any prospect for a rebound in the dollar soon.

"The dollar's downward moves are getting more and more sustained while its rallies are getting soggy and soggy," said Malcolm Barr, a currency economist at Chemical Bank in London. "Its weakness is keeping European bond markets on edge."

Avinash Persaud, head of currency research at J.P. Morgan in London said the U.S. currency could hit 1.60 DM as soon as the end of this month.

"Its weakness is based on the fear that the Federal Reserve has monetary policy now set on neutral but that neutral is highly inappropriate for an economy growing as fast as the United States," explained Mr. Persaud.

Dollar bulls have been beaten into hibernation. At NatWest Markets, the chief bond and currency strategist, Robert Thomas, hazarded the opinion that the dollar now

See INFLATION, Page 12

## Thinking Ahead / Commentary

## Many Can Learn From Soviet Downfall

By Reginald Dale  
International Herald Tribune

WASHINGTON — Why did the Soviet economy go down the drain? Now that Russia is struggling to become a Western-style market economy, with the aid of its former adversaries, the question might seem of only academic interest.

But there are still plenty of countries that can learn from the Soviet Union's downfall. Most obviously they include developing nations still firmly wedded to state intervention and former Communist countries that have not completely forsaken their old ways — including Russia itself.

More surprisingly, according to the authors of a new analysis published by the World Bank, they include France, Austria and East Asian high performers like Singapore, South Korea and Japan.

The main thing these countries are all doing wrong is relying for growth on centrally planned capital accumulation — building more and more factories — rather than increasing the productivity of their workers.

The study is by William Easterly of the Massachusetts Institute of Technology, soon to become an IMF deputy managing director. It looks at how the Soviet economy turned from being "the hope of the future" in the 1950s to the basket case of today.

Given the Soviet Union's size, its high levels of investment and education and low population growth, its economy should have grown strongly from the 1960s through the 1980s. Instead, it was the "most underachieving economy" in the world, developing countries included.

Sadly for admirers of Ronald Reagan, the study concludes that the increased Soviet defense spending provoked by Mr. Reagan's policies was not the straw that broke the back of the Evil Empire.

The Afghan war and the Soviet response to Mr. Reagan's Star Wars program caused only a relatively small rise in defense costs. And the defense effort throughout the period from 1960 to 1987 contributed only marginally to economic decline.

Other causes may have included demoral-

The key factor was the inefficient way the authorities invested in capital equipment.

ization and a breakdown of discipline in the work force. The Soviet Union also had too many resources devoted to low-productivity agriculture and too few to services and trade.

But the key factor was the inefficiency of capital investment. For all the resources the Soviets put into factories and machinery, they got relatively little out. In economic jargon, the Soviet Union had an unusually high ratio of capital to output.

As countries industrialize, they use more machines to perform tasks previously done by manual labor, enabling workers to become more productive. In the West, machines have generally replaced labor fairly efficiently, thanks to rapid and flexible technological advances. A forklift truck would be one example, a robot an even more effective one.

But machines were an extraordinarily poor

substitute for labor in the Soviet Union. The Soviet economy seemed to be constrained by technology that required almost constant proportions: one machine, one worker.

During the 1950s, when not all workers had machines, return on capital was high. Giving a machine to a worker without one has a high payoff, and the payoff stays high as long as there are workers without machines.

Eventually, however, all the workers will have machines, and the return on additional machines falls to virtually nothing. What's needed is not just another machine but a machine plus a computerized inventory and distribution system.

But rather than responding to market demands, Soviet investment came from above. Capital goods, like consumer goods, were limited to the narrow range of items that planners could direct and control — usually heavy machinery.

So why didn't the planners see what was going on in the West and order robots and computers? The planners, says Mr. Easterly, had limited information. Factory bosses knew more but had no incentive to correct their methods.

But surely that's not what's happening in countries like France and Austria and Japan and the Asian tigers?

Not exactly, says Mr. Easterly. But they all share the Soviet weakness of administratively directed investment programs and rising capital-to-output ratios.

The bad news for these countries is that diminishing returns from capital will eventually lead to a slowdown in growth. The good news is that, assuming their workers are more productive and their technology more varied than in the Soviet Union, they should be able to avoid the Soviet Union's drastic fate.

## Ruling Frees European Car Market

Bloomberg Business News

PARIS — The European Court of Justice opened the door for lower car prices for consumers, ruling Thursday that Peugeot SA cannot prohibit its dealers in France from buying Peugeots in other countries at considerably lower prices and reselling them in France.

The ruling punches a hole in the protectionism surrounding Europe's car industry and will help ease price discrepancies across Europe on consumers' second-largest spending item.

"Your gut feeling tells you this will set pressure on prices to come down," said Philip Ayton, an analyst at BZW Barclays de Zoete Wedd.

The European Commission this month will propose rules that could partly unshackle Europe's \$8,000 car dealers from manufacturers.

For the past nine years, the commission has exempted carmakers from rules meant to promote a free market. As a result, all carmakers have been able to tell dealers where and what to sell and to largely restrict them from selling more than one brand at a time.

The ruling by the European Court of Justice, which upholds a lower court decision in December 1991, allows dealers or middlemen in France to buy cars in bulk in other countries, such as Belgium, and bring them back to France. Before the rulings, Peugeot had

been able to dictate to its dealers the distribution and pricing of Peugeot vehicles.

Car prices often vary 20 percent or more from country to country. Much of that has to do with the sharp devaluation two years ago of the pound, lira and Spanish peseta. That gave car dealers a big incentive to go shopping for bargains in those countries and bring the cars back to their home markets, where they offer lower prices and still increase profit margins.

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## Swissair Said To Seek Deal With Sabena

AFP-Euro News

ZURICH — Swissair refused on Thursday to comment on a report that it planned to acquire 49.5 percent of Sabena Belgian World Airlines, including the stake held by Air France.

The report was contained in an article to be published Friday in Cash magazine. Cash said it was given access to a "detailed secret document" in which Swissair set out the strategic importance of achieving control of Sabena.

At no point in the document is the Belgian airline mentioned by name, the report said, adding that the codename "Flair" was used to identify Sabena.

Swissair said it was not its policy to "comment publicly on any proposals or recommendations" that "documents may contain." Repeating an announcement made last autumn, Swissair said it was negotiating with a number of European airlines — including Sabena — about strategic alliances.

The report in Cash said Swissair aimed to acquire a 49.5 percent stake in Sabena that would include Air France's 37.5 percent shareholding. This stake is held by the Belgian company Holding Finacta, of which Air France owns 67 percent.

It said Swissair aimed to acquire a further 12 percent stake in Sabena currently held by four finance companies controlled by the Belgian government.

Belgian government sources said Thursday that the report was plausible and that Air France sought to "disengage" from the unprofitable Sabena. They said Belgium did not object to Swissair as a partner as long as the government owned the largest stake. Belgium currently holds 61.3 percent of Sabena.

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## CURRENCY & INTEREST RATES

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Canada	1.00	1.2725	1.25	1.2300	1.3740	1.4410	1.4410	1.4410	1.3500
France	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Germany	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Italy	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Japan	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Spain	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Switzerland	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
U.K.	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
U.S.	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
West Germany	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Yugoslavia	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500

FOREIGN EXCHANGE									
	\$	£	D.M.	F.F.	L.F.	D.F.	S.F.	S.F.	Yen
Canada	1.00	1.2725	1.25	1.2300	1.3740	1.4410	1.4410	1.4410	1.3500
France	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Germany	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Italy	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Japan	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Spain	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Switzerland	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
U.K.	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
U.S.	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
West Germany	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Yugoslavia	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500

CROSS RATES									
	\$	£	D.M.	F.F.	L.F.	D.F.	S.F.	S.F.	Yen
Canada	1.00	1.2725	1.25	1.2300	1.3740	1.4410	1.4410	1.4410	1.3500
France	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Germany	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Italy	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Japan	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Spain	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Switzerland	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
U.K.	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
U.S.	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
West Germany	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Yugoslavia	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500

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Italy	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
Japan	1.00	1.4845	2.48	1.4845	1.4845	1.4845	1.4845	1.4845	1.3500
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U.K.	1.00								



## MARKET DIARY

Market Advances  
In Hesitant Trade

NEW YORK — Stocks ended a lackluster day Thursday with a jump near the close that was tied to Friday's expirations of options and futures.

Uncertainty about inflation kept the market off balance in light trading much of the day, but in the last half-hour, more investors started positioning their holdings for the "triple witching hour," the quarter-

## U.S. Stocks

Simultaneous expiration of stock options and stock index futures added to the market's hesitancy. The Dow Jones industrial index rose 20.93 points, to 3,790.41, erasing most of the 24.42 loss on Wednesday. Gainers only slightly outnumbered losers and volume eased to 254.89 million shares on Thursday from 269.72 million shares on Wednesday.

Share prices were also jostled by bond prices, which initially moved down and later rallied as traders weighed new U.S. economic data. Reports early in the session gave a pessimistic view of inflation, but the outlook later on was more optimistic. The yield on the 30-year U.S. Treasury bond closed at 7.36 percent, down from 7.39 percent on Wednesday.

The Commerce Department said

early in the day that U.S. housing starts rose 2.6 percent in May despite relatively high mortgage rates that had restrained construction a month earlier.

A separate Labor Department report showed first-time claims for unemployment benefits dropped to the lowest level in nearly two months, fanning inflation fears that had arisen on Wednesday due to a surge in prices of grains, crude oil and other commodities.

But the inflation jitters eased as commodity prices pulled back. The Commodity Research Bureau's index, a popular inflation gauge, declined after advancing by an unusually large amount Wednesday.

Exxon rose 1 1/2 to 58 1/2 after falling 5 1/2 over the first three days of the week. Goldman Sachs added the stock to its "recommended" list after the decline, which began when a federal judge decided Monday that the company acted recklessly in the nation's largest oil spill five years ago in Alaska.

The oil sector was broadly stronger as the price of crude neared a 12-month high. Hasbro fell 3 to 28 1/2. The toy maker's shares opened 10 percent lower as the company said it expects second-quarter revenue to fall as much as 15 percent from a year ago and wipe out its earnings for the period. (AP, Bloomberg)

## INFLATION: Dollar Undercut

Continued from Page 11

at least seems to be at the bottom of its trading range.

"But people have been saying that for quite some time and they have not been seen as being very clever," he added.

Analysts see two problems with the dollar.

"They fear that American interest rates are headed up, and point out that that has dried up the demand for U.S. bonds and the dollars to pay for them."

Secondly, foreign exchange traders continue to fear that Washington is still prepared to use a weak dollar to put pressure on the Japanese government to reduce its massive trade surplus.

Any failure of the current round of trade talks that are due to reach some conclusion by the time of the Group of Seven in early July could send the dollar crashing from its present 103 yen to the dollar level through the 100 yen level, analysts say.

Not even the threat of a military confrontation with North Korea has been sufficient to push the dollar higher.

Normally the beneficiary of any so-called flight to safety, the dollar

this time has lagged far behind the world's other traditional safe haven currencies, the Swiss franc.

In New York, the dollar steadied off its lowest levels as support points held, particularly against the mark and Swiss franc, causing dealers and funds to take profits on short-dollar positions, dealers said.

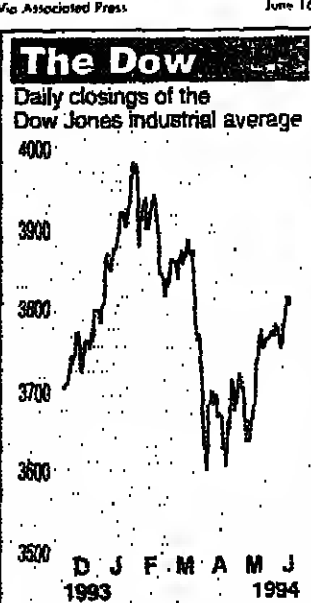
The dollar continued to be undermined by perceptions that relative weakness in the U.S. economy may delay further tightening by the Fed and not produce the interest rate differentials investors had expected.

European nations, on the other hand, are experiencing solid growth as they come out of recession, leading investors to conclude that the easing cycle on the continent has been slowed or even finished.

Dealers said they are still wary of new developments on the Korean peninsula, and this market concern has been the primary reason for the dollar's strength against the yen.

The dollar closed at 1.6323 DM, down from 1.6359 DM Wednesday, and at 103.335 yen, up from 102.61.

The British pound was at \$1,520.00, down from \$1,521.20 on Wednesday. The dollar weakened to 1.3708 Swiss francs from 1.3722 and to 5.5658 French francs from 5.5840.



The Dow Jones Industrial Average

Source: Associated Press

June 16

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**ADVERTISEMENT**

**INTERNATIONAL FUNDS** June 16, 1994

Quotations supplied by funds listed. Not asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (M) - monthly; (A) - annually.

**June 16, 1994**

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For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33

**A WEEK IN THE LIFE OF THE TRIB**  
 Monday Wednesday Friday **PLUS DAILY**

**ONDAY SPORTS**  
 ■  
*Tuesday*  
**STYLE**

**STAGE ENTERTAINMENT**  
 ■  
*Thursday*  
**HEALTH/SCIENCE**

**LEISURE**  
 ■  
*Saturday-Sunday*  
**ART/**  
**THE MONEY REPORT**

**POLITICS AND ECONOMICS**  
 ■  
**BUSINESS AND FINANCE**  
 ■  
**OPINION AND COMMENTARY**

**THE ARTS AND SCIENCE**  
 ■  
**FOOD AND FASHION**  
 ■  
**FILM AND THEATER**

**BOOKS AND TRAVEL**  
 ■  
**BRIDGE AND CHESS**  
 ■  
**THE NEW YORK TIMES CROSSWORD**

**A LIVELY ARRAY OF COMICS**  
 ■  
**PULITZER PRIZE WINNING**  
 FEATURING COLU...

**Herald INTERNATIONAL Tribune.**

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**Thursday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE <sup>Sts</sup> 100s High Low Latest Ch'g

日期	時間	地點	事項	備註
1945年	1月	...	...	...
2月	...	...	...	...
3月	...	...	...	...
4月	...	...	...	...
5月	...	...	...	...
6月	...	...	...	...
7月	...	...	...	...
8月	...	...	...	...
9月	...	...	...	...
10月	...	...	...	...
11月	...	...	...	...
12月	...	...	...	...
1946年	1月	...	...	...
2月	...	...	...	...
3月	...	...	...	...
4月	...	...	...	...
5月	...	...	...	...
6月	...	...	...	...
7月	...	...	...	...
8月	...	...	...	...
9月	...	...	...	...
10月	...	...	...	...
11月	...	...	...	...
12月	...	...	...	...

[illegible]

Month	High Low Stock		Div	Yld %	PE	S&P	High	Low	Open	Close
	High	Low								
Jan	100.00	95.00		4.00	15.00	100.00	100.00	95.00	95.00	95.00
Feb	100.00	95.00		4.00	15.00	100.00	100.00	95.00	95.00	95.00
Mar	100.00	95.00		4.00	15.00	100.00	100.00	95.00	95.00	95.00
Apr	100.00	95.00		4.00	15.00	100.00	100.00	95.00	95.00	95.00
May	100.00	95.00		4.00	15.00	100.00	100.00	95.00	95.00	95.00
Jun	100.00	95.00		4.00	15.00	100.00	100.00	95.00	95.00	95.00
Jul	100.00	95.00		4.00	15.00	100.00	100.00	95.00	95.00	95.00
Aug	100.00	95.00		4.00	15.00	100.00	100.00	95.00	95.00	95.00
Sep	100.00	95.00		4.00	15.00	100.00	100.00	95.00	95.00	95.00
Oct	100.00	95.00		4.00	15.00	100.00	100.00	95.00	95.00	95.00
Nov	100.00	95.00		4.00	15.00	100.00	100.00	95.00	95.00	95.00
Dec	100.00	95.00		4.00	15.00	100.00	100.00	95.00	95.00	95.00

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THE UNIVERSITY OF CHICAGO

CHICAGO, ILL.

1960

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1. 凡在本行開辦之各項業務，均應遵守本行所定之規章制度，並應隨時注意本行所發之各項通知，如有違反者，本行將依法究辦。
 2. 本行所定之規章制度，係根據國家法律及金融機構之慣例而制定，旨在保障本行業務之正常運作，並維護存款人之利益。
 3. 凡在本行開辦業務之客戶，均應向本行提供真實、準確之個人資料，並應隨時向本行提供最新之聯絡資訊。
 4. 本行將依法保護客戶之個人資料，並不會將客戶之資料提供給任何第三方。
 5. 本行將根據國家法律及金融機構之慣例，對客戶之業務進行監督及稽核。
 6. 本行將根據客戶之業務需要，提供各項金融服務，包括存款、放款、匯兌、信託等。
 7. 本行將根據客戶之業務需要，提供各項諮詢服務，包括投資、理財、保險等。
 8. 本行將根據客戶之業務需要，提供各項其他服務。
 9. 本行將根據客戶之業務需要，提供各項其他服務。
 10. 本行將根據客戶之業務需要，提供各項其他服務。

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Continued on Page 15

Then of course there's Phuket, playground of the international set.

**Continued on Page 15**

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## China to Reopen Doors in 1996 to Foreign Carmakers

Compiled by Our Staff From Dispatches

BEIJING — China said Thursday that it would end its freeze on foreign auto plants in 1996 and that foreign firms would be granted to manufacture cars in the meantime to establish parts plants.

Ye Qing, vice chairman of the State Planning Commission, said three large conglomerates, based on existing joint-venture producers in China, would account for most of the domestic market by the end of the century.

He left the door open to new entrants. "Approval will depend on the speed of China's economic growth, the level of auto output at that time and the conditions offered by the foreign parties," he said.

Foreign automakers already producing in China include Volkswagen AG of Germany, Peugeot SA and Citroën SA of France, Daihatsu Motor Co. and Suzuki Motor Co. of Japan and Chrysler Corp. of the United States.

Mr. Ye said China's auto industry, with more than 120 plants, was inefficient and needed to be reorganized into large groups. He said China would consolidate those automakers into three globally competitive giants and three secondary manufacturers by 1997.

The Volkswagen joint venture in Shanghai, a Citroën venture at Shenyang and northeast China's sprawling First Automobile Works, also linked with Volkswagen, were mentioned for the first category.

Likely candidates for the second category are Chrysler's Jeep Cherokee factory in Beijing, Peugeot's Guangzhou plant and Daihatsu's plant in Tianjin.

China's auto market is small, with domestic production in 1993 of 1.3 million units, up 23 percent from 1992. Official imports last year totaled 310,461 vehicles, up 48 percent over 1993, and thousands more were smuggled in.

With the economy growing at more than 10 percent a year, many foreign producers say this may be the last great undeveloped car market.

The government's model plant is its Shanghai factory. It made 100,000 Santana passenger cars in 1993, nine times its 1990 output, and the cars had a local content rate of 81.47 percent, double the rate in 1990. The Santana retails for about 160,000 yuan (\$18,000).

Mr. Ye said joint-venture makers would receive preferential treatment once their local-content rates reached a certain level.

**Industrial Output Rises**  
China's industrial output grew at a yearly 17.3 percent in May, down slightly from the rate in April, Reuters reported from Beijing.

The April-May surge in production is due to the easing of credit controls by the government, which in turn has led to a rise in capital investment, state economists said.

## Vietnam: Banking Thinks Small

By Kevin Murphy

International Herald Tribune

HANOI — Caught between traditional savers' distrust and a creaking financial system, small new banks such as Vietnam Maritime Commercial Bank nonetheless are putting the squeeze on the state institutions now dominating the market.

Founded less than three years ago, Hai-phong-based Maritime Bank—with six powerful state-backed business groups and a foreign investment fund among its shareholders—is becoming a catalyst to a transition in banking.

"We understand the innovations that will take place in Vietnamese banking," said Tran Huu Bach, a director of Maritime Bank. "We understand the transition to a market economy and that privatization is the future."

When it abandoned a centrally managed economic system in 1989, Vietnam soon realized it needed a new financial system to match its embrace of the market economy. Banking since Hanoi won control of the former South Vietnam in 1975 had become consolidated into a monolithic system with the State Bank of Vietnam assuming control of most domestic financial business.

In 1990, Hanoi introduced far-reaching reforms that separated the state bank from a commercial role, instead giving it responsibility for conducting monetary policy and regulating a more complex financial system.

In encouraging a more competitive financial environment, four dominant government banks were given autonomy and instructed to prepare themselves for life in a market where foreign and domestic private banks covet their business.

"In competition, banks improve themselves," said Nguyen Van De, chairman of Vietcombank, the state-owned bank that lost

its near monopoly on foreign currency loans and transactions but responded by computerizing its branches, offering new services and issuing credit cards. "If we don't, other banks will."

"Some joint stock banks have met with settlement difficulties," said Mr. De, who expects the competition to prompt a consolidation among the smaller banks. "But we have grown stronger over time."

A recent World Bank study predicted an important role for private banks in Vietnam. "In many respects the Vietnamese reforms are bolder and more enlightened than in other socialist economies in transition," it said.

"Because they are demand-driven and managed by compact, highly motivated teams, they will be innovators and have a disproportionate impact on the development of banking in the country," said the World Bank study of the joint stock banks, which now number about 40.

Their market share of loans and deposits is not that significant now, but they have tremendous potential," said Richard Martin, general manager in Vietnam for ANZ Bank, of Australia.

"They are allowed to deal with people we are not," said Mr. Martin, who was one of the first foreign bankers to come to Vietnam. They are catering to the needs of an emerging middle class."

Starting out with 40 billion dong (\$4 million) in authorized share capital in 1991 and one of the bad or doubtful debts now plaguing their state-owned rivals, Maritime Bank will have tripled in size if the government gives the expected final approval to its capital expansion plans this year.

"They can go into a sector of the market foreign banks can't really afford to pursue, deals worth less than \$500,000," said Martin

Adams, managing director of Vietnam Fund Ltd., a \$50 million fund that has invested about \$2.4 million in the bank.

"They also can be much more flexible in the collateral they take," he said. "They can take property deeds, which foreign banks are reluctant to hold, and they have a warehouse to store Honda motorcycles as collateral."

But arranging loans—often on behalf of powerful shareholders that include government-owned shipping, insurance and garment-trading companies, Vietnam Aviation and the director-general of post and telecommunications—has proven easier than developing a consumer bank.

Traditionally wary of banks, the average Vietnamese saver favors high-yield government bonds or just tucking the money under the mattress. Mobilizing domestic savings is an acknowledged challenge for Vietnam, which says it needs \$50 billion to modernize its economy by the turn of the century.

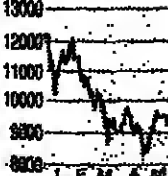
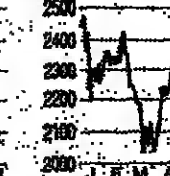
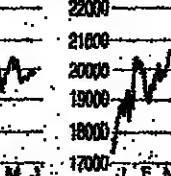
To raise further expansion funds, Maritime Bank must intensify efforts to lure retail customers into its six banks around the country, all linked by a modern computer system that is the envy of rivals.

"We are the first bank to dare to publish our balance sheet," said Mr. Bach, who is stressing staff training and service as part of its effort to gain customer confidence.

Maritime Bank's good reputation has secured it deals with larger international banks such as ANZ to help finance a \$3 million crane for the port of Ho Chi Minh City and to develop a leasing business with at least two other banks and the Vietnam Fund.

While it is one of the most promising candidates for a listing on a new stock exchange that Vietnam plans to open next year, Maritime Bank also hopes to develop a stock-broker business for the future.

## Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
				
Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	9,022.92	9,149.52	-1.38
Singapore	Straits Times	2,287.34	2,286.51	+0.04
Sydney	All Ordinaries	2,056.00	2,075.60	-0.94
Tokyo	Nikkei 225	21,367.50	21,263.00	+0.40
Korea Lumpur	Composite	1,032.35	1,028.95	+0.33
Bangkok	SET	1,394.44	1,359.53	+0.36
Seoul	Composite Stock	901.86	890.57	+1.13
Taipei	Weighted Price	8,149.84	8,113.70	+0.69
Manila	PSE	2,816.56	2,921.87	-0.18
Jakarta	Stock Index	4,74.133	482.09	+1.65
New Zealand	NZSE-40	2,103.76	2,100.89	+0.14
Bombay	National Index	1,976.05	1,976.58	+0.08

Sources: Reuters, AFP

International Herald Tribune

Sources: Reuters, AFP International Herald Tribune

## Very briefly:

The French and German telecommunications alliance with U.S. company Sprint Corp. will eventually embrace an Asian partner, most likely Japan, the president of France Telecom (Japan) said.

Bank of Tokyo Ltd. said it and eight other Japanese banks would extend \$1.99 billion in financing to Vietnam Inc. to help pay for its acquisition of 50.2 percent of Paramount Communications Inc.

Fosters Brewing Group Ltd. of Australia said it signed a nationwide distribution pact for Germany with Holsten Brewery AG.

Daewoo Group, one of South Korea's largest conglomerates, has signed an agreement with the Chinese state firm Cerroilfood to exchange cars for grain or other agricultural commodities, a Daewoo executive said.

Thailand's consumer price index rose 1.1 percent in May from April and 5.1 percent from May 1993, the Commerce Ministry said. The wholesale index in May was flat from April but up 3 percent from a year earlier.

Australia's biggest company, Broken Hill Proprietary Co., said it filed its defense against a writ alleging environmental damage from its Ok Tedi copper mine in Papua New Guinea, where landowners are seeking compensation for damage allegedly caused by mining waste being pumped into nearby rivers.

Asian Development Bank loans slipped nearly 50 percent, to \$362.2 million, in the first three months of 1994, while technical assistance grants rose 46 percent, the bank said.

## Jakarta Sees Investment Rise

JAKARTA — Indonesia expects the value of foreign investment approvals to bounce back this year to exceed \$10 billion after a 22 percent drop in 1993, the Antara news agency said Thursday.

The drop in foreign investment approvals last year, to \$8 billion, added to Indonesia's economic woes, which included low world oil prices and \$90 billion in foreign debt.

An official said that approvals for the first five months of the year had topped \$5 billion. Jakarta took several steps this month to ease curbs on foreign investment.

## ANA and Delta Seek Marketing Alliance

Compiled by Our Staff From Dispatches

TOKYO — All Nippon Airways Co. of Japan and Delta Air Lines Inc. of the United States announced Thursday that they had agreed to discuss a wide-ranging business alliance, which could be the first such deal between a Japanese and a U.S. airline.

ANA, which has the largest domestic flight network in Japan, and Delta, the third-largest airline in the United States, envisage cooperation in passenger and freight services, flight schedule coordination, enhancement of computer reservation systems, participation in each airline's frequent-flyer program and possible code sharing, they said.

The airlines said their letter of intent would serve to promote mutual communication and cooperation that could lead to a marketing and business relationship in the United States and Japan.

Delta's president, chairman and

chief executive officer, Ronald W. Allen, said the link would combine Delta's extensive U.S. network with ANA's services in Asia.

"Both airlines expect to expand revenue-generating opportunities, while reducing costs through more efficient use of our resources," Mr. Allen said.

The implementation of the agreement is expected to begin this autumn.

ANA's current operations in the United States are limited to New York, Washington and Los Angeles.

In the past few months, Atlanta-based Delta, which is in the midst of a plan to reduce costs and return to profitability, has sought to balance cuts of direct services by forging partnerships with other airlines.

Delta is planning to slash annual costs by \$2 billion by 1997. This week, Delta said it would fire 2,500 engineering and maintenance

workers, part of a plan to drop as many as 15,000 positions.

The airline on Tuesday cut four international routes and said it would ground its fleet of 13 Airbus aircraft.

In a separate development, ANA reportedly has canceled an order for five Airbus A-340 aircraft valued at 3 billion French francs (\$538 million) from Airbus Industrie.

(AFP, AFX, Bloomberg, Knight-Ridder)

**Mazda and Ford in Talks**

Mazda Motor Corp. said Thursday it had restarted negotiations to

jointly produce cars in Europe with Ford Motor Co. because of signs of a strengthening economy in Europe. The Associated Press reported.

Mazda, Japan's fourth-largest automaker, and Ford scrapped plans to build cars together in Europe in March 1993 after the two could not reach an agreement.

But financially beleaguered Mazda, which is 24.54 percent owned by Ford, accepted three more Ford officials as directors in its management in December 1993 in a move to upgrade the cooperation between the companies.

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## Watchdog Agency Concerned by Foodland Bid

Compiled by Our Staff From Dispatches

MELBOURNE — Australian regulators said Thursday they were concerned about the New Zealand entrepreneur Graeme Hart's takeover bid for Australian wholesaler Foodland Associated Ltd., which could transform the face of retailing in both countries.

New Zealand's Rank Commercial Ltd., owned by Mr. Hart, announced a \$365 million bid for Foodland Wednesday, saying it intended to split the group's Australian and New Zealand operations if successful. Under the plan, Coles Myer Ltd. would have an option to buy Foodland's extensive Australian wholesale grocery and retail operation.

Allan Fels, chairman of the Trade Practices

Commission, said he was concerned that competition might suffer if this happened. A major problem for Mr. Fels, however, is an Australian court decision last year that prevented David's Ltd., the largest Australian independent food wholesaler, from taking over the wholesaler QIW Retailers Ltd.

That decision hinged on a ruling that food wholesaling in the state of Queensland was a separate market from food retailing in the same state. Extending that logic, the Australian courts would have no problems with Coles Myer buying Foodland.

Analysts forecast that a successful bid would lift Coles Myer's grocery-market share in Western Australia from 24 percent to 75 percent and

increase its overall Australian market share from 22 percent to about 25 percent.

Foodland shareholders have already balked at the offer price of 5.27 Australian dollars (\$3.85) a share, pushing the price up to 5.51 Australian dollars on Thursday, a gain of 76 cents.

The continued existence of independent grocers in Australia will also be in question. Twenty years ago, independents controlled more than 60 percent of Australian grocery sales, but now they have less than 30 percent.

It also casts a cloud over the listing on the Australian Stock Exchange on Friday of David's, which has about 11 percent of the grocery market. (AFP, Bloomberg)

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## ADVERTISING SECTION

The island nation's origins go back to 874 AD, when Iceland's first settlers arrived from Norway. Long a commonwealth, Iceland came under Norway's dominance in the 13th century, and later that of Denmark. On June 17, 1944, Iceland proclaimed its independence as a republic. In the 50 years since, the country has made its mark on world trade, tourism and international affairs.

## ICELAND



## RISING EXPORTS GIVE MOMENTUM TO ECONOMY

After seven flat years caused by declining catches of cod, falling seafood prices overseas and the recession in Western industrial nations, Iceland's economy once again possesses the tools for growth.

"Based on what is known about prospects for fish catches over the next few years," says Thordur Fridjónsson, managing director of the National Economic Institute, "a return to modest growth appears likely for 1995 and beyond."

Seafood exports, which brought in \$1.1 billion last year, or nearly 80 percent of merchandise export earnings, are rising again on the strength of heavy catches of capelin and redfish. Inflation has fallen to less than 2 percent. The trade balance is in equilibrium, and real interest rates are down significantly. While unemployment has crept up to 5.5 percent and foreign debt rose to \$5.8 percent

of gross domestic product last year, the outlook for the medium term is encouraging.

The biggest challenge to the ongoing recovery is strengthening the ocean cod stock. Of the seven or so main groundfish species caught and

processed for export, last year's cod catch of 250,000 tons earned \$470 million alone. Overfishing, however, has caused quotas to be slashed to this level from 300,000 tons in 1987. In the meantime, prices on foreign seafood markets have declined 20 percent in real terms. Combined, the two trends have cost the country \$280 million annually, or a quarter of last year's revenue from seafood exports.

*Per capita income ranks just above that of the United States*

Still, the economy should ride out this rough patch. "We shouldn't focus too much on the adverse effects of a reduction in the cod quota," comments Mar Eilsson, head of Iceland's Fisheries Investment Fund. "This is the sole example of significant contraction in the fleet's allowable catch. Most other species are in quite good condition. In my view, recovering economies in the U.S., U.K. and mainland Europe, our major trading partners, will see a rise in prices for prime-quality seafood. Icelandic fish has earned a reputation overseas for high quality."

Last year's heavy 1.98-million-ton seafood catch allowed the economy to partially compensate for less cod

and lower prices by stepping up production in other species. Total seafood exports grew 11.4 percent over 1992 to 635,000 tons of processed and fresh whitefish, shrimp, fish meal and oil. Export revenues still fell by nearly one-tenth, but the contraction in national income dampened imports of consumer goods and made the current account favorable for the first time since 1980.

The two other legs of the economy, energy-intensive industry and tourism, have also gathered strength. Improving economies in Europe and the United States helped manufactured exports, chiefly aluminum and ferrosilicon, rise to \$160 million, to account for nearly 20 percent of merchandise export earnings. A record 158,000 foreign visitors also spent \$220 million in foreign currency.

*Continued on page 19*

## THE ROAD TO INDEPENDENCE

The first Viking settlers arrived in Iceland in 874. From then until 1262, Iceland was an independent country. This was the golden age of Icelandic history, when the Sagas were written, the world's oldest parliament — the Althing — was founded and Erik the Red discovered Greenland and his son Leif discovered America.

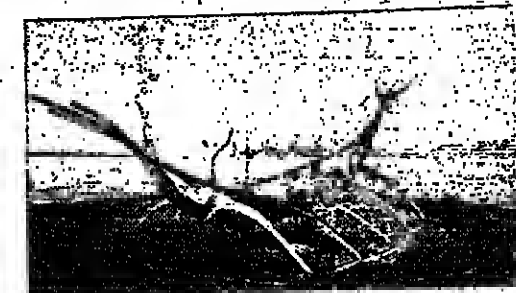
The golden age ended when the feuding Icelandic chieftains swore allegiance to the king of Norway in 1262. This allegiance was transferred to Denmark when the Danish and Norwegian monarchies were unified in 1387.

In the 16th century, Denmark enforced a trade monopoly that lasted until 1787. This, combined with epidemics, famine, volcanic eruptions and earthquakes, nearly wiped out the Icelandic population. By the 18th century, the population was 35,000, half that of the 12th century.

The struggle for independence from Denmark started in 1830. In 1845, the Althing was re-established with limited powers, and in 1918 Iceland gained internal self-government.

Iceland's key strategic position in the

North Atlantic led to its wartime occupation, first by British and then by American troops. During the Cold War,



The Vikings were Iceland's first settlers.

it became host to the U.S. Air Force Base at Keflavik, which protected the vital North Atlantic sea lanes in the Greenland-Iceland-Britain Gap.

Iceland gained de facto independence from Denmark with the Nazi occupation of Denmark in 1940. In 1944, 97.4 percent of the population voted in favor of full independence. An independent republic was declared on June 17, 1944, and the history of modern Iceland began.

*Thomas S. Arns*

## THE VIEW FROM ICELAND: AN EVOLUTION IN IDENTITY

ifty years into its life as an independent nation, Iceland finds itself facing some very difficult questions regarding its future, questions that have not had to be raised before and to which no one really knows the answers.

Should Iceland look west, toward the United States? East toward the European Union? Or perhaps both, or neither? Until recently, this was not a problem. Iceland's strategic position during the Cold War period placed it firmly in the midst of the Atlantic Alliance, and the question of where it belonged never arose. Satisfactory trade agreements with both the United States and the European Community provided a smooth flow of the main export product — seafood in all imaginable varieties — into those main markets. Culturally, though, the ties were strongest with the Nordic neighbors with which Iceland shares a common history and, since the 1960s, a common labor and social market as well.

Now this is all history. The threat that highlighted Iceland's strategic importance has radically dimin-

ished. The European focus has shifted from the Atlantic toward the center of the Continent and the American focus toward the Pacific Rim. Left alone in the middle is a small island nation that now has to re-evaluate its position. Even its closest Nordic relatives are now speeding into the European Union, a path that Iceland has not yet been willing to tread.

To understand the Ice-

*Should Iceland look west or east? Perhaps both, or neither?*

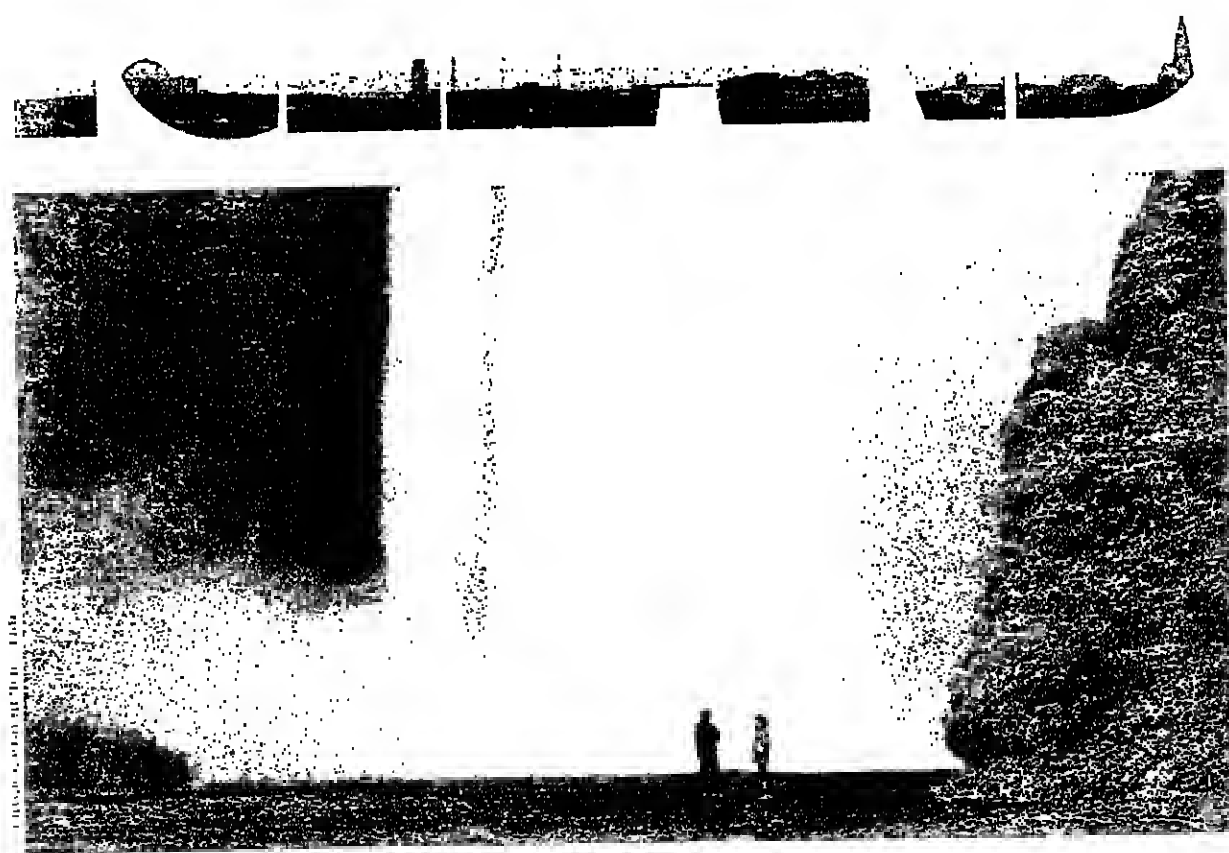
landic hesitation about EU membership, one has to understand the mentality of the nation. Traditionally wary of big entities and outside influence (like so many other island nations), the Icelanders have always been reluctant to join international bodies, especially those that might have a say in their internal affairs. NATO membership was never uncontested, and there was a fierce political debate before Iceland joined the European

Free Trade Association in the late '60s. Memories of the "unequal treaty" made with Norway in 1262 are still evoked when modern international treaties are discussed.

Centuries of isolation in the Atlantic have preserved a culture, including the old Norse language, that in many respects is unique. To lose this would be to lose the national identity, and a small nation is sensitive to foreign influence in the modern world of multimedia.

In fact, European integration not only represents a cultural threat, but also offers a wealth of possibilities. In an ever-more environmentally concerned world, Iceland has a lot to offer. Its unspoiled nature and clean air have made tourism one of the country's main industries. In agriculture, organic farming is and has been standard practice for centuries, and below the ground enormous resources of pure drinking water are to be found. Human resources are also vast, with a high general level of skill and education, not least in the fishing sector. Iceland is probably the

*Continued on page 19*



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# ENERGY RESOURCES: PLENTY OF CLEAN POWER TO SPARE

Iceland has an estimated 50,000 GWh/year of clean, renewable, inexpensive hydroelectric and geothermal energy - enough to supply Switzerland with its annual electricity requirements.

Only 10 percent has been harnessed. Recently, Gardar Ingvarsson, managing director of MIL, the Icelandic Energy Marketing Unit, an agency of the National Power Company and the Ministry of Industry, spoke about the country's energy resources.

Is the energy-generating infrastructure in place to supply new ventures with power at short notice?

At present, there are 1,000 GWh/year of energy in the system that are not being used, enough to accommodate ferro-alloys facilities, electrochemical plants, etc. This is available today. As far as larger power users such as primary aluminum

smelters are concerned, several hydropower projects have been designed and engineered and are in place, ready to go. The National Power Company has considerably shortened the lead time needed to build hydro-stations by having numerous projects in various stages of development. Two have already been put out for tender, and bids received.

Oil prices are at a low. Can Iceland's green energy compete? What about transport costs and tariffs?

For the typical large user of 10MW and 7,000 hours annual utilization, electricity prices in Iceland are among the lowest in the world. Our estimated cost price for primary power for new projects is 20 mills per KWh; secondary power costs less. We are prepared to work out flexible, tailor-made long-term contracts with large power users, as we have done with the ISAL smelter and Icelandic Alloys Ltd. It may surprise many people that transporting finished products to Rotterdam and other North Sea ports takes only three to four days, and Iceland's membership in the European Economic Area means tariff-free access for products to the huge European market.



Geothermal energy heats Iceland's houses as well as bathes in the Blue Lagoon.

## RISE IN EXPORTS

Continued from page 18

cy to make tourism the second-biggest industry after seafood. Together with the stronger performance in the seafood sector, overall exports of goods and services rose 6.1 percent in volume last year to push GDP up 0.8 percent following a 3.4 percent falloff in 1992.

Though a marginal decline in GDP is expected in 1994 because of further cuts in the cod quota, a 0.8 percent rise in export volume is forecast. "The improving international economy will see Iceland's GDP grow 1 to 2 percent annually over 1995-96, and 2 to 3 percent after that," predicts the NEI's Mr. Fridjónsson.



Iceland's President Vigdís Finnbogadóttir.

Iceland's 265,000 inhabitants still maintain one of the world's highest living standards. The World Bank Atlas 1994 reported per capita income of \$23,670 for 1992, just ahead of the figure for the United States and seventh-highest among industrialized nations. As in many other West European countries, universal health care and education are provided, and a tightly woven web of social services and state support helps offset high taxes and living expenses. Thanks to its geographical isolation and comparatively little heavy industry, Iceland has probably the cleanest air and water in Europe, and population density on the

103,000 square kilometer island is only 2.4 inhabitants per square kilometer.

Maintaining this high living standard will require Icelanders to continue to carefully manage harvests of seafood stocks in home waters. Further development of tourism and energy-intensive industry is also a key goal, as is forging stronger economic links with Europe.

Iceland is a member of the 18-nation European Economic Area (EEA), established in January, which has abolished or greatly reduced tariffs on most processed seafood products sold to European Union countries. This step is doubly important as the EU absorbs 60 percent of the country's seafood exports.

The establishment of the EEA has also meant liberalization of laws on foreign investment and capital movements. It is hoped that the changes will help diversify the economy by attracting more foreign business, especially larger industrial plants such as the Swiss-owned ISAL aluminum smelter outside the capital of Reykjavik.

One of only two energy-intensive factories in Iceland, the smelter is the cornerstone of the country's manufacturing sector and has enabled it to develop large reserves of hydroelectric and geothermal energy.

James Wesneski

## AN EVOLUTION IN ICELAND'S IDENTITY

Continued from page 18

only European country where fishing is a highly profitable business venture, not a subsidized part of the agricultural sector. There is a growing sense that Icelanders really have nothing to fear from Europe and that its cultural uniqueness might prove to be the nation's ultimate strength.

The dependence on fishing and fish processing, although making the economy extremely cyclical and one-dimensional, has brought a high level of prosperity and enabled the Icelanders to build up a modern society with a high standard of living in less than half a century. Fish, as a matter of fact, also represents the main obstacle to Iceland's membership in the European Union. The European principle of pooling resources is some-

thing Icelanders find difficult to accept - not because they are particularly un-European or egocentric, but because no other European nation is as dependent on any one resource as Iceland is on fish. Without fish, the island of Iceland would be uninhabitable. Fish represent not just an economic issue, but are also, alongside the language, at the core of the national identity.

Icelanders realize that isolationism would be the least suitable solution to their dilemma. A nation that is totally dependent on exports for its economic survival and on a close and unrestricted contact with other cultures for its intellectual and mental survival cannot close its doors on the outside world.

Although it is situated between America and Europe, there is really no question as to where Iceland belongs. It is a European nation with an old European culture, even if it has a strain of the American frontier society. Europe is also Iceland's most important trading partner and will probably be even more so with the advent of the European Economic Area. The American market is also of vital importance, and most Icelanders feel that economic and political ties with the United States must be strengthened, not weakened, in spite of closer contact with the European Union.

Will Iceland ever be a member of the EU? At the moment the Icelandic stance is: Let's wait and see how things develop. Through the EEA, it is part of the common market, without being part of the political structure of the Union. Time will tell if that is sufficient or if closer contact will prove necessary.

If all other EFTA countries join the EU, at least some rearrangements will have to be made.

Very likely, the fate of Norway - another great fishing nation - will be decisive for the European future of Iceland. If Norway decides to stay outside the Union, Iceland will definitely do the same. If Norway joins, its experience with the European fishing policy will have a great impact on whether Iceland eventually follows suit.

Steingrímur Sigurðsson

modate other new ventures?

If the delayed start-up agreement for the Atlantia primary aluminum smelter were signed tomorrow, we would be ready to go right into the field and start work on a new power station and to accelerate engineering work on the next wave of power stations so as to be ready to serve other investors.

Interview by J.W.

## FRESH WINDS BLOW IN BANKING SECTOR

The rush to take advantage of cross-border opportunities offered by the European Economic Area has yet to see non-nationals moving into Iceland's newly liberalized banking sector. With strong equity positions and a large stake in financial sideline services, Iceland's four commercial and 33 savings

banks have a firm grip on the home market.

Market-leading Visa and Eurocard are jointly owned by the banks, and debit cards are making a quick entrance. Landsbanki, the country's largest commercial bank, and Islandsbanki plc. operate securities firms Landsbref and VIB respectively, while Bunadabanki and the 33 savings banks own Kaupthing. Despite the thaw in regulations on foreign investment and capital movements brought about by the EEA, Swedish-held Skandia is the sole foreign player to enter the securities field.

For foreign banks and other financial-services firms, this means that finding and filling a gap in the competition will prove tough. But fresh winds are definitely on the way. "I don't expect foreign banks to set up branches here in the near term," says Tryggvi Pálsson, managing director of Islandsbanki plc. "You don't need brick and mortar to provide services. Increasing competition will come about, however, from Icelanders investing abroad and generally do-

ing more business with foreign financial institutions."

Iceland's banks have been quick to implement Bank for International Settlements regulations and other international operating norms now standard in the new European mega-market. They have also matured into full-service outlets offering financial consultancy products, electronic banking and telephone and computer access options for businesses and individuals. "Gradual liberalization of Iceland's banking sector and capital movements has seen customer services become comparable with those offered abroad," says Mr. Pálsson. While domestic banks shore up their position at home, the half-century-old republic has begun to chart a new course abroad. A regular borrower in international markets, Iceland this year came out with a debut issue in the U.S. public bond market. "The republic's \$200 million Yankee bond issue in the U.S. market last February was highly successful," comments Birgir Isleifur Gunnarsson, chairman of the Board of Governors of the Central Bank of Iceland, adding that the J.P. Morgan-led issue of 10-year bonds was received warmly by over 30 U.S. investors.

Moody's and Standard & Poor's rate it A2 and A respectively, and the issue has traded favorably in the secondary market - a clear sign of confidence in the bonds as well as in Iceland's economy.

J.W.

## Arts & Galleries

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Hafnarborg is an Institute of culture and fine arts in Hafnarfjörður, a few kilometres south of Reykjavík. Rotating exhibitions in the institute's galleries including both foreign and Icelandic artists, as well as works from the permanent collection. The institute also hosts frequent concerts and there is a cafe that serves refreshments all day. The galleries are open from 12.00 to 18.00 every day, except Tuesdays.

**Funding the Future**  
The main purpose of the Industrial Development Fund is to support the development of the Icelandic industry as a whole by financing large investments.  
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This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • Thomas S. Arms is a foreign affairs writer based in London. • Steingrímur Sigurðsson is on the staff of the newspaper Morgunblaðið in Reykjavík. • James Wesneski is a free-lance writer based in Reykjavík.

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## THE PURE PRODUCTS OF A CLEAN LAND

**F**arming in Iceland is nearly as difficult as the country's name suggests. But despite a lack of arable soil, geographical isolation and overemphasis on production of lamb and beef products, unique possibilities are opening up for the sector.

"Iceland is in a good position to declare itself the first organic-farming country in the world, a move that would make a lot of sense for the industry and the nation as a whole," says Baldvin Jonsson, consultant to the Icelandic Agricultural Information Service. "Use of growth-inducing hormones is nonexistent, and our farmers apply artificial fertilizers to grassland extremely sparingly. Compared with other nations' output, Icelandic products have been shown to be considerably purer. And while we can't compete price-wise with mass agriculture, our small production potential is well-suited for filling high-quality niche markets that supply health-conscious consumers."

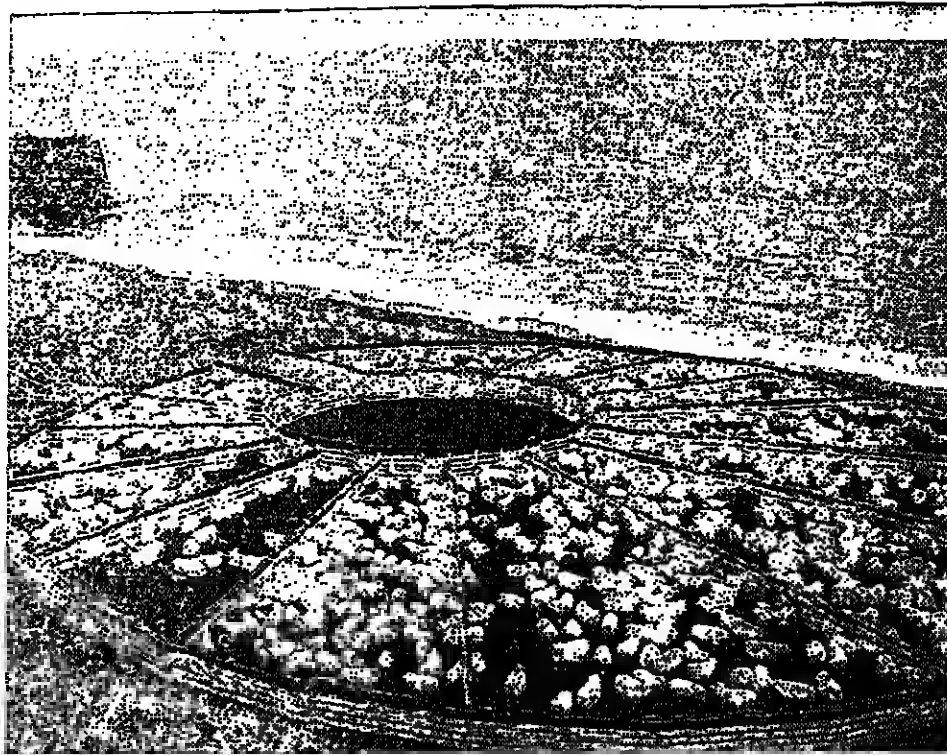
Other factors have combined to make Iceland's environment and agricultural products some of the purest found anywhere. Heavy industry is next to nil, and the utilization of geothermal and hydroelectric energy for space heating and power keeps pollution to minute levels. With roughly half of the 265,000 Icelanders living in the greater Reykjavik

area, much open pasture is available for livestock—mainly sheep and beef or dairy cows—to graze freely. During the summer months, newborn Icelandic lambs graze in the mountains on thyme, ling and wildflowers, with the four-to-five-month-old animals reaching 14.5 kilograms (32 pounds) by the time they are driven from the wilderness in the autumn.

Annual production levels of lamb and beef are 8,000 and 3,400 tons respectively, but what the industry lacks in volume it makes up for in quality. Recently, U.S. health authorities certified both meats as free from hormone implants, antibiotics, pesticides and herbicides, a distinction that has opened up tangible export opportunities.

Meat sales company Kaupsyslan, which is working on exports of beef and lamb to the United States in conjunction with the Association of Beef Cow Farmers, is producing Icelandic beef for a large American health-food chain.

"The lack of industry and negligible pollution have a definite effect on our products," says the company's managing director, Erlendur Gardarsson. "According to our information, other producers in the U.S. and some in New Zealand can supply meats sold as free of hormones and antibiotics, but, as far as we know, cannot use the second half of our statement on the absence of



Icelandic lamb is free of hormones, antibiotics and pesticides.

pesticides and herbicides. Icelandic meat is perhaps the purest you'll find anywhere."

Mr. Gardarsson points out that Icelandic lamb and beef have both been shown to contain beneficial Omega-3 fatty acids, which combat heart and coronary disease. "And the taste of our lean

lamb and beef is exceptional. The latter product beat out all comers at a prestigious 'taste-off' at New York's Waldorf Astoria last year—we were voted ahead of the favored American entrants."

Dairy products also figure heavily in the national diet and in farm production,

which includes some potato and turnip crops but is otherwise inhibited by a short growing season and cool year-round temperatures. Butter, cream, cheese and milk varieties are free of preservatives, and skyr, a traditional whey-like food eaten since Iceland's settlement 1,100 years ago, remains a perennial favorite, plain or with milk or cream, sugar and fruit.

Iceland's abundant geothermal energy allows flowers, cucumbers, tomatoes and green peppers to be grown in greenhouses around the country. As with other domestic agriculture, these products are grown without resorting to pesticides and herbicides.

"We hope to be able to benefit in the future by developing further exports of lamb and beef from our small-scale meat-producing industry," says Brynjolfur Sandholt, chief veterinary officer. "We feel that Iceland has definite market potential that can be realized by catering to health-conscious consumers who prefer foods raised and grown by farming methods that are not on the intensive scale found in other countries, but rather along natural, organic lines."

J.W.

## INDUSTRY: FISH IS STILL KING, BUT OTHER SECTORS EXPAND

**A** triad of industries supports the bulk of Iceland's \$6 billion annual economy: fishing and seafood processing, tourism and power-intensive manufacturing. Efforts to expand the role of the last two are gaining ground, but a rough 55-15-15 split in national export earnings means that catching, processing and selling seafood remain Iceland's core industrial activities.

Production and export of seafood are the driving force behind the economy," says Jon Asbergsson, managing director of the Trade Council of Iceland.

The Central Bank reports that seafood sales garnered Iceland \$1.1 billion in 1993, or 79 percent of total merchandise export earnings. Measured by volume, sales of processed and fresh items rose 11.3 percent over 1992, to 635,000 tons, on the strength of a 1.68-million-ton haul of capelin, groundfish, shrimp and other species.

Improved fishing technology has enabled catches to rise to the point where any increase is unlikely. Fish-tracking devices, huge nets and the ability to process catches at sea mean the fleet can now scoop up more than ocean stocks are able to replenish.

The challenge posed by limited seafood stocks is being met in a number of ways. In addition to a quota-based system of fisheries management, which has kept stocks in generally healthy condition, previously underutilized species—sea urchin, deep-sea redfish, ling and tusk—are being harvested. New processing technology is also helping to boost yields of what is caught, and has become an export sector in its own right.

"In my opinion, Iceland's fishing industry is a world leader in technology, and I base my view on having done business with the industry in over 30 countries," says Geir A. Gunnlaugsson, managing director of weighing and processing specialists Marel. Marel's onboard digital scales for fishing vessels have won a large share of the global market, while its grading equipment has been shipped to buyers in the U.S. poultry and pork industries.

Improving the way seafood is filleted, weighed, salted or otherwise handled is complemented by the use of insulated fish tubes, which keep catches fresh until processing begins. Experiments carried out by Icelandic Fisheries Laboratories are also allowing exporters to increase the keeping time of fresh fish fillets and whole fish by replacing air in plastic packaging with carbon-dioxide/oxygen mixtures.

A third strategy in the industry's quest to squeeze more from limited ocean seafood stocks is the move to step up production of value-added products. A full 65 percent of the \$800-million groundfish catch last year was processed into frozen fish products.

The latter figure could be much higher. Gunnar Mar Kristjánsson of Iceland Seafood International, the country's second-largest seafood sales organization, provides an indication of what is at stake. "Specially processed items such as retail-packed natural portions and breaded fillets earn our member producers 52 percent more per kilogram than the same fish would have fetched as frozen block or other traditional items."

Outside the fishing industry, efforts are being made to diversify the economic base by attracting other industries from abroad—especially power-intensive ventures. According to the National Power Company, economically exploitable reserves of hydroelectric and geothermal energy total some 50,000 GWh/year. Of this total, a mere 10 percent has been harnessed.

A modicum of success in attracting foreign energy users has already been achieved. The ISAL aluminum smelter, wholly owned by Switzerland's Alusuisse-Lonza, exported 94,152 tons of ingots and rolling slabs worth \$120 million last year, and it is the single-largest industrial energy consumer. The Icelandic Alloys ferroalloy smelter, also uses hydroelectric energy to power its furnaces.

A recovery in the aluminum industry may see metals concerns Anix, Hoogovens and Granges proceed with now-postponed plans for a 200,000-ton smelter in southwest Iceland. The Icelandic Energy Marketing Unit, Scottish Hydro, Hamburger-Elektricität and the Dutch-Icelandic IceNet group are discussing the feasibility of a super-long under-sea cable between east Iceland and Europe that would relay 8,000 GWh/year of clean power to end users.

Iceland's other industries include woolen goods, tanned skins, farmed salmon, sparkling water and other items that earned a combined \$45 million last year.

J.W.

## AND THE VIEW FROM EUROPE

**O**n Iceland's 50th birthday, the rest of Western Europe views the isolated North European island with a mixture of respect and concern—respect for all that it has achieved and concern that the Icelanders' innate conservatism may impede changes necessary for continued success.

In the space of just 50 years and with a population of only 250,000, Iceland has transformed itself from little

more than a nation of subsistence farmers into a modern 20th-century state.

This has been achieved by harnessing the Icelandic people's fierce nationalism and their incredible capacity for hard work—as well as through high tariffs, high taxes, heavy government spending and the narrowly focused exploitation of the country's major natural resource—fish.

The concern for Iceland's future centers on the fact that

fish stocks are declining because of overfishing. In 1983, the annual cod quota was 400,000 tons. In 1994, the quota is 165,000 tons.

Iceland's strategic planners recognize the need to break away from the fish-based economy and are hoping to exploit the island's geostrategic position between North America and Northern Europe to become an offshore manufacturing platform for both markets. Attracting the foreign capital needed will involve opening up the Icelandic economy with lower tariffs, lower corporate and personal taxes, a devaluation of the krona, lower salaries and subsidies.

At the start of this year, Iceland gained additional access to the markets of the European Union as a member of the European Economic Area, and it has made approaches to the United States about acceding to NAFTA.

At the same time as they seek closer relationships, however, the Icelanders are retaining a definite aloofness. Alone among the EFTA countries, Iceland has until now rejected the idea of membership in the EU, out of fear that it would open its territorial waters to European trawlers.

Another important element in the planners' vision is Iceland's enormous potential for the production of hydroelectric and geothermal energy. These visions are being opposed by a vociferous environmentalist lobby whose goal is to protect one of the most unspoiled landscapes in the Western world, by the powerful fishing lobby concerned about the transfer of capital resources, and by powerful nationalist forces worried about a dilution of national sovereignty.

Thomas S. Arms

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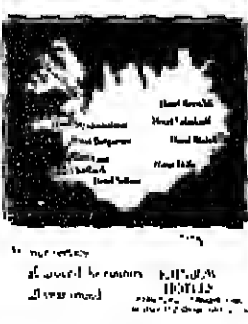
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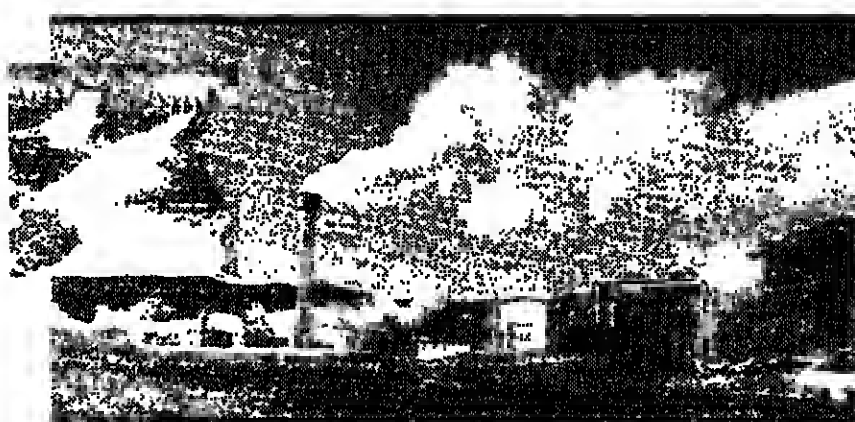


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# SPORTS

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**Saturday, June 18**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 7:30 p.m.  
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Switzerland vs. United States, 9:30 p.m.

**Sunday, June 19**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Monday, June 20**  
At Fort Lauderdale, Fla.  
Colombia vs. United States, 7:30 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. Switzerland, 9:30 p.m.

**Tuesday, June 21**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

**Wednesday, June 22**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Thursday, June 23**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

**Friday, June 24**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Saturday, June 25**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

**Sunday, June 26**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Monday, June 27**  
At Fort Lauderdale, Fla.  
Colombia vs. United States, 7:30 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. Switzerland, 9:30 p.m.

**Tuesday, June 28**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Wednesday, June 29**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

**Thursday, June 30**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Friday, June 31**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

**Saturday, July 1**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Sunday, July 2**  
At Fort Lauderdale, Fla.  
Colombia vs. United States, 7:30 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. Switzerland, 9:30 p.m.

**Monday, July 3**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Tuesday, July 4**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

**Wednesday, July 5**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Thursday, July 6**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

**Friday, July 7**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Saturday, July 8**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

**Sunday, July 9**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Monday, July 10**  
At Fort Lauderdale, Fla.  
Colombia vs. United States, 7:30 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. Switzerland, 9:30 p.m.

**Tuesday, July 11**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Wednesday, July 12**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

**Thursday, July 13**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Friday, July 14**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

**Saturday, July 15**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Sunday, July 16**  
At Fort Lauderdale, Fla.  
Colombia vs. United States, 7:30 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. Switzerland, 9:30 p.m.

**Monday, July 17**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Tuesday, July 18**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

**Wednesday, July 19**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Thursday, July 20**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

**Friday, July 21**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Saturday, July 22**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

**Sunday, July 23**  
At Fort Lauderdale, Fla.  
Colombia vs. United States, 7:30 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. Switzerland, 9:30 p.m.

**Monday, July 24**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Tuesday, July 25**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

**Wednesday, July 26**  
At Fort Lauderdale, Fla.  
Colombia vs. Switzerland, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Romania vs. United States, 6:30 p.m.

**Thursday, July 27**  
At Fort Lauderdale, Fla.  
Colombia vs. Romania, 4:00 p.m.  
At Fort Lauderdale, Fla.  
Switzerland vs. United States, 6:30 p.m.

## CUP: For Act I, a Mystery

Continued from Page 1

most important match to date in this country.

No one can say that FIFA, the international soccer federation, hasn't tried to adapt to American ways. The first round will pair only eight teams from the tournament by the end of June — but with a rule change that awards teams three points for a victory, FIFA is hoping to avoid the draws that brought 1990's first round in Italy to a standstill. Referees have been upgraded to avoid the embarrassments inflicted by unruly Argentina that summer.

The U.S. Soccer Federation has not fulfilled its promise to start a major professional soccer league in the year preceding this tournament, which would have satisfied FIFA's long-standing World Cup goal of converting the United States into a soccer nation. Again, the overriding feeling here is one of ambivalence. Though ticket sales threaten to prevent this World Cup from becoming the first to be sold out, a record majority of its 3.6 million tickets have already been purchased, two-thirds of them by Americans. Americans are ambitious with big events because this country understands how to exploit the big score. A lot of people are looking up to make a lot of money in the next month, and when the final match has been played July 17 in the Rose Bowl outside Los Angeles, they can go onto other ventures.

Starting another new American soccer league — after several have failed already — will require more discipline for less immediate gratification. There is good reason to be skeptical that an ambitious league will soon take off here, considering that the World Cup sponsors have sought not to market soccer players and introduce them to the American public, as they would in baseball, basketball or American football. The World Cup is being promoted as a sort of World's Fair, with soccer merely the vehicle for what is perceived here as a cultural festival. Unless the public expresses a willingness to support the game beyond this one-time event, it is easy to imagine the league evaporating in the months after the World Cup has packed up and gone away.

Trying to implant the grass roots of soccer via something as overwhelming as the World Cup presents yet another conundrum. In recent years, American fans who attend football or basketball games have been urged to become part of a TV show, cheering and performing "the wave" for the sake of the larger audience watching at home. Now, in effect, all of the United States has become one stage to be viewed by the rest of the world. Under these unique circumstances, Americans' reaction to soccer figures to be complicated. They know how to act at a baseball game, but their satisfaction with the World Cup might depend upon the quality of their own performances as fans for the sake of the larger, more sophisticated audiences watching in Asia, Africa and Europe. In other words, if Americans feel they are being ridiculed for being naive or ignorant of this sport — a sport they never demanded in the first place — then it is only reason that soccer won't take here.

The job might have been simpler had current ambitions coalesced here in 1930, when the United States was among the 13 contestants in the first World Cup. In Uruguay, or even in 1950, when the U.S. team shocked England's, 1-0, in the greatest of World Cup upsets. But professional sport was an immature business then, while the ensuing four decades have seen it become a rather dispassionate extension of advertising virtues.

## PICK: By Next Month, Brazil Will be the World's New Soccer Champion

Continued from Page 1

On earth, only those prepared to run with the Germans, and then to dare to liberate flamboyance, will beat them.

Nevertheless, I am quite serious in forecasting a Latin triumph, especially down in Orlando, Dallas, Washington and New York, are pushing up toward 100 degrees Fahrenheit. The humidity clings, the lack of oxygen is more than a myth.

In such a climate, the tempo cannot, for 90 minutes, be European. The strong athletes will still be glad of their physical conditioning, and those who have paid as much heed to diet as to German unforgivingly do will have something to spare when others have arrived toward mid-afternoon.

But I am not going to give away. I look at the German squad for Soldier Field. There are too many old soldiers. Matthäus is 33 now, he attempts to be what he is not, a Bochenbauer figure of the defense rather than what he was at his best, a supple, powerful, arrogant mid-fielder.

Anyone who knows the sport acknowledges what a leader Matthäus was in Italy four summers ago. They also know that age wears and that Matthäus has had knee surgery and that his lack of awareness in the defense is a liability rather than an asset.

And age is all-around him. Bert Vogts, the German coach, has been brutally honest in admitting he has recalled older players from self-imposed retirement "because even at their age, they are better than the new generation."

Then, the Cameroonians spring Africa's "surprise." They are here

## Brazil Favored By Oddsmakers

The Associated Press

LONDON — The British bookmaker Coral is listing Brazil as the 3-1 favorite to win the World Cup, followed by Germany (7-2), the Netherlands (9-1) and Argentina (10-1).

U.S. oddsmakers have Brazil and Germany the co-favorites at 4-1, followed by Italy at 5-1, then Colombia and Argentina at 7-1. Ireland is listed as 75-1 among U.S. bettors.

Coral said Thursday that betting on the 52-match contest could reach £30 million (\$45 million), 10 percent more than the 1990 World Cup in Italy, although England, Scotland and Wales failed to qualify.

Many of the bets had been on Ireland, whose odds had been cut from 50-1 to 28-1. Nigeria had also been popular with bettors, going from 150-1 to 33-1 in recent days.

No one expects the U.S. team to win, but its survival into July is an absolute necessity. No host nation has ever lost in the first round. The United States might not receive typical host support when it plays its last two matches in the Rose Bowl, where the Latino populations from Los Angeles likely will prefer to root against the Americans. The bigger issue is the reaction of the players themselves. With the future of their sport suddenly on their shoulders, the crowd of 76,000 cheering them on Saturday against Switzerland in Pontiac, Michigan, may ignite them, or it may just as easily paralyze them. Half the starters do not play for clubs internationally. Not so long ago, a crowd of 10,000 was a big crowd. Having never faced pressure anything like this, it is impossible to say how they will react.

It all makes for a large, clean slate. If the American fans are ignorant of the players and their teams, that's just as well. To them, a match between Bolivia and South Korea will be just as interesting as the rivalry between Belgium and the Netherlands. Most of the experts figure to be wrong in their predictions. Germany and Brazil may be the favorites, but they hold that title by reputation. Maradona is an old man now. New stars are going to be created over the next month, created by the lead of Hollywood. It is as wide-open as any World Cup in recent memory, which already makes it distinctly American.

## 7 Franchises Awarded

Seven franchises were awarded for the proposed soccer league that is meant to be a World Cup legacy. The New York Times reported.

Play in Major League Soccer, as the new league is called, is to begin in April 1995, but the league has yet to award 5 of its 12 franchises. It has also not signed any players, or named any investors or sponsors beyond a joint television venture with ABC Sports, ESPN and ESPN2.

Franchises were awarded to New Jersey, Long Island, Los Angeles, Boston, Washington, Columbus, Ohio, and San Jose, California. Five more teams will be announced, with Aug. 1 as a target date. Alan Rothenberg, the new league's commissioner, said.

Initially, investors in the league, were asked to contribute \$10 million; now the asking price is \$5 million. A capitalization project of \$100 million was announced by Rothberg last December; Wednesday, he said the league could begin operations with \$50 million in capital.

At first, 10,000 season-ticket holders were projected for each of the 12 franchises. That forecast has been reduced to 3,000 to 4,000 in most cities.

It is the goal of league officials to have the league operate in small stadiums designed for soccer, not oversized football stadiums.

## Arts & Antiques

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or your nearest IHT office or representative

## Germany's 6 Reasons Not to Win

By Ian Thomsen  
International Herald Tribune

CHICAGO — If the Germans are favored by some to win the World Cup, it's for the same six reasons that others expect them to fail. Those six reasons are 30 years of age or older, and among them are Lothar Matthäus, Andreas Brehme, Rudi Völler and Guido Buchwald.

The defending champion Germans are seeking to become the first nation to win four World Cups as well as the first to play in four consecutive finals. The tournament will revolve around them beginning with the opening match here Friday at Soldier Field against Bolivia, which has been outscored by 16-0 in three previous World Cup matches.

West Germany won the tournament three times, in 1954, '74 and '90. The host Americans, fighting an inferiority complex, will be happy to know that West Germany's Bundesliga wasn't formed until 1962. The Germans aren't bogged down with tradition, maintaining a fresh efficiency — and now a united Germany comes to the World Cup finals for the first time in 56 years.

Yet Germany's biggest fear is not its rival Brazil, but age. Bert Vogts, a defender alongside Franz Beckenbauer on the 1974 champions, and now trying to recreate Beckenbauer's managerial victory of 1990, has reacted to the ongoing Midwestern heat wave by canceling morning practices on Tuesday and Wednesday.

"We realize the players don't need to train at all," Vogts said. "They need to recharge their batteries and that proved to be more valuable."

A wise move, it nonetheless affirms the German concern. Unable to come up with a new young striker, Vogts retained the 34-year-old Völler, who retired after suffering a broken arm during the 1992 European Championships.

Brehme, the 33-year-old defender who converted the winning penalty shot in the last World Cup, was also called out of retirement despite his loss of speed. The 33-year-old German engine, Matthäus, has proven fully recovered from major knee surgery two years ago, but the next month will make greater demands than these players know in their youth.

Summer heat is a fact of every World Cup. Temperatures in the low 30s Celsius (upward of 90 degrees Fahrenheit) and excessive humidity will follow Germany through its second game here against Spain on Tuesday, and then four days later in Dallas against South Korea. The opponents are not so much the concern as the wear and tear going into the knockout rounds of July, when a weary favorite would become vulnerable.

"I don't think we can go full-out for 90 minutes," said Vogts, reciting a refrain common among other coaches. "We're going to have to alter our game a little."

"Eight years ago in Mexico it was hotter than

this," said defender Thomas Berthold. "We are in great condition. We take great pride in that."

The only other concern is the problems up front, which led to the recalling of Völler — but even this has been answered by Jürgen Klinsmann's recent return to form. Otherwise, the Germans appear as firmly in control as ever. Their personnel have remained constant over the last four years, but no new rival has stepped forward. Vogts has rated Brazil as the favorite, but there is a wariness among his players that their greatest rival will be the team that grows hot over the next two weeks, effectively rising out of nowhere.

Beckenbauer has wished that Germany could have strengthened itself in the qualifying rounds, rather than earning an automatic place as defending champion in the 24-team final. Criticisms of Vogts following Germany's surprise European Championship defeat to Denmark have been washed away by Germany's success beginning with the U.S. Cup last summer against Brazil, England and the United States, and extending through friendlies this spring.

The Bolivians upset Brazil, 2-0, early in qualifying — but that was in the high altitude of La Paz. No such advantage exists for them here, although both sides will recall Argentina's stunning opening defeat to Cameroon four years ago.

CHICAGO — "We want to start like in 1990," said Germany's coach, Bert Vogts. "We want to gain that momentum in the opening game that will take us through the rest of the tournament."

At Soldier Field on Friday, the winners four years ago in Rome will encounter Bolivia, a team the Germans know only from video tapes, and steamy weather that will sap the strength of the players.

The match will kick off the month-long 52-game World Cup extravaganza. A billion people watching worldwide on television and a sell-out crowd of 63,117 at the 72-year-old stadium on the shore of Lake Michigan will hope new FIFA rules will make the game exciting, rather than some dull, cautious opener in some recent World Cup.

The Germans are seeking to become the first team to win four World Cup titles and the first to repeat as champion since Brazil in 1962.

Bolivia is making its first appearance in World Cup finals since 1950. It has never won a game, it has never scored a goal in three matches while conceding 16 goals.

That was a long time ago, however. "It will be tough to score a goal against Bolivia," Vogts said. "They have a good defense. They beat Brazil, they knocked out Uruguay, a great soccer nation."

"Our greatest mistake would be to underestimate Bolivia," he continued. "My players

## Vogts: Just 'Like in 1990'

Compiled by Our Staff From Dispatches

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ers know that we have to take them seriously, we'll leave carelessness in our hotel."

Bolivia's one major doubt concerned star forward Marco Etcheverry, who has not played a game since breaking his left leg.

Coach Xavier Azkargorta said he would not decide until shortly before the match whether to field his most influential player, but Etcheverry said he thought he would play against the Germans.

"I'm almost there," he said. "I'm very anxious to play. I have taken care of myself and I have done what I was told to do."

● Erik Thorstved returned to Norway's goal after a two-day break in which he rested his tendinitis-inflicted shoulder, but the scrimmage was so uneven that they stopped counting the goals with Thorstved's side ahead, 3-1, against the other half of the Norwegian team, which was mimicking the style of Mexico, Norway's first opponent on Sunday.

Thorstved played more than half the game, made a few easy saves and allowed the one goal on a hard shot.

● Josip Weber continued to amaze for Belgium, scoring a hat-trick during a 6-0 victory over the U.S. Olympic squad.

● Russian team officials said that U.S. authorities had granted visas for players' wives and other members of the delegation.

On Tuesday, they accused U.S. immigration authorities of delaying the entry visas for 12 members of their delegation, mostly players' and coaches' wives. (AP, Reuters)

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"I'm almost there," he said. "I'm very anxious to play. I have taken care of myself and I have done what I was told to do."

## The IHT World Cup Competition

Win fabulous prizes.

Winners will be chosen from an official drawing. The first 16 entries drawn, with at least 6 correct responses, will win one of the prizes listed below, determined from the order in which they are drawn.

**Grand Prize:** Two United Airlines business class round-trip Europe/New York tickets plus five nights accommodation at the Stanhope Hotel in New York.

**Five second prizes:** Sprint Collectors frame prepaid phone cards in celebration of the World Cup.

**Five third prizes:** AT Cross, 22k gold, diamond cut, Roller ball pens, from the Signature Collection.

**Five fourth prizes:** Gold Pfeil men's wallets.

## HERE'S HOW TO ENTER

For each of the 12 days leading up to the World Cup, the IHT will publish a question in which the response predicts various outcomes of facets of the World Cup. There are 12 questions in all.

After answering the question each day in the coupon provided below, hold your responses and send them all at once to the IHT. A minimum of 6 responses must be postmarked on or before June 17, 1994 — the World Cup kickoff day.

Only clippings from the newspaper will be accepted. Photocopies and faxes do not qualify.

## RULES AND CONDITIONS

- Individual coupons will not be accepted. Minimum of 6 coupons to qualify.
- Cut-off date is postmarks of the first day of the World Cup — June 17, 1994.
- Valid only where legal.
- Entries will not be accepted from staff and families of the IHT newspaper, its agents and subsidiaries.
- Only original coupons will be considered valid. Photocopies and faxes are not acceptable.
- No correspondence will be entered into. Proof of postage will not be accepted as proof of receipt.
- No cash alternative to prizes.
- In some countries, the law forbids participation in this competition for prize awards. However, in these countries, you can still play for fun. The competition is void where illegal.
- Winners will be drawn on day after the end of the World Cup and published in the IHT on Thursday 21 July.
- On all matters, the editor's decision is final.
- The Editor reserves the right in his absolute discretion to disqualify any entry, competitor or nominee, or to waive any rules in the event of circumstances outside our control arising which, in his opinion, makes it desirable to cancel the competition at any stage.
- The winners will be the first correct answers containing six or more coupons picked at random from all entries.

## TODAY'S QUESTION

How many bookings will be given out during the competition?

Your response: \_\_\_\_\_

Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Postal Code: \_\_\_\_\_ City: \_\_\_\_\_

Country: \_\_\_\_\_

Telephone: \_\_\_\_\_

Send responses to: IHT



## *Anecdotal Awareness*

As I guided the car masterfully through traffic, headed for my laundry and dry-cleaning establishment, I chide myself for becoming sentimental about the individual in his struggle against statistical oblivion. I have always been too soft. "Soft-nosed" is what the old bard nofend, brilliant crowd

fulfillment," "raised consciousness," "dysfunctional," "the counterculture" and "gender-neutral."

The dry-cleaner was all smiles. "Your white shirt is ready this time," he said, banding it to me. I accepted it, very unhappily, because I knew it was only anecdotal evidence.

*New York Times Service*

## Jimmy Scott, Playing the Numbers Game

In Cleveland, he found his estranged father in a bad mood. "Jimmy Scott, come over here," he'd yell to him in some bar. "You ain't *makin'*. I still run you, boy." Scott says he never understood why his father would "bulldoze" him like that. Obscurity in Cleveland can be more than just virtual.

We were in his record company's office earlier this year. He looks his age, 68, but is at the same time — I search for the adjective — bugable. Like a shy boy, I had heard him *sing several nights earlier in La Villa club*. He was the talk



During those 20 virtually obscure years, he made several albums that went unnoticed and/or unreleased. In the early 1980s he was working as a shipping clerk for Sheraton Hotels. He drove forklifts and stacked inventory, but a numbers game," he said. "It's how you react to the numbers that makes the difference."

*Jimmy Scott: Monday, Rouen, France; June 29, 30, Paris (New Morning); July 1, 2, Vienna, France; July 3, Vienna, Austria; July 4, Vienna, Austria; July 5, Vienna, Austria; July 6, Nice Jazz Festival; July 10, Stockholm.*

Call him "Pops": The singer Lionel Richie and girlfriend Diane Alexander are the parents of a baby boy, Miles Brockman Richie.

Chicago	31,391	21,700	30,768	17,662	pc
Denver	33,688	14,567	34,780	15,519	pc
Detroit	34,793	21,700	29,894	17,662	pc
Honolulu	31,986	23,723	32,584	23,723	pc
Los Angeles	32,679	23,723	34,490	23,723	pc
San Francisco	26,779	17,662	27,780	16,611	pc
Seattle	30,489	14,567	31,547	15,519	pc
Washington	27,995	16,611	27,780	16,611	pc
Memphis	30,988	14,567	30,988	18,654	pc
National	30,988	23,723	31,498	24,775	pc
New York	32,689	24,776	36,937	23,723	pc
Phoenix	42,107	26,779	42,107	26,782	s
San Jose	29,648	11,622	32,771	11,622	s
Portland	19,666	11,622	6,198	11,622	sh
San Antonio	32,679	13,556	32,679	13,556	sh
San Jose	32,679	26,729	37,708	26,729	sh

Hamilton	clouds and sun	30/85	22/71
<b>Asia/Pacific</b>			
Peking	partly sunny	32/69	26/79
Phuket	showers	33/81	20/79
Bali	partly sunny	33/81	26/79
Cebu	thunderstorms	33/91	24/75
Palm Beach, Aus	partly sunny	18/54	10/50
Bay of Islands, NZ	clouds and sun	18/54	10/50
Shanghai	cloudy	27/80	21/70
Honolulu	showers	28/84	23/75

SUNDAY

All forecasts and data provided by  
Accu-Weather, Inc. 1994.

Europe and Middle East

Water Temp. C/F	Wave Heights (Meters)	Wind Speed (kph)	Location	Weather	High Temp. C/F	Low Temp. C/F	Water Temp. C/F	Wave Heights (Meters)	Wind Speed (kph)
1956	1-2	SE 10-20	Cannes	sunny	26/79	17/63	21/70	1-2	SE 15-25
1959	1-2	W 15-30	Danoneville	sunny	26/79	16/61	19/69	1-2	W 12-25
1966	1-2	W 15-30	Rimini	sunny	27/80	18/63	20/68	1-2	W 10-21
1986	1-2	N 12-22	Milagra	sunny	29/84	18/64	20/68	1-2	NW 12-22
2170	1-2	W 15-30	Palma	sunny	27/80	18/64	21/70	1-2	W 15-30
1954	1-2	W 15-30	Faro	clouds and sun	22/71	14/57	18/64	1-2	WSW 12-25
1936	1-2	W 12-22	Praiano	sunny	29/84	20/68	19/69	1-2	WNW 10-20
2271	1-2	W 15-30	Campione	sunny	29/84	20/68	22/71	1-2	W 15-30
1365	1-2	WNW 15-30	Brighton	sunny	22/71	12/53	14/57	1-2	NW 20-35
1293	1-2	NW 15-30	Ostend	sunny	22/68	14/57	12/53	1-2	NW 18-35
1253	1-2	NW 15-30	St. Petersburg	clouds and sun	21/68	13/53	12/53	1-2	NW 20-35
1253	1-2	NW 15-30	Syri	clouds and sun	20/68	13/53	12/53	1-2	NW 20-40
2038	1-2	NW 12-22	Tyrit	sunny	30/86	19/65	20/68	1-2	NW 15-25
2170	1-2	N 15-25	Tel Aviv	sunny	31/88	23/70	19/62	1-2	N 15-30

Caribbean and West Atlantic

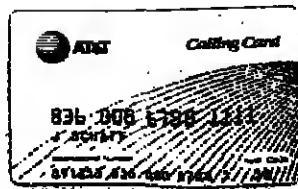
2682	1-2	E 20-30	Barbados	showers	31/88	28/77	28/82	1-2	E 25-35
2082	1-2	E 25-35	Kingston	sunny	33/91	28/77	29/82	1-2	E 25-35
2170	1-2	S 20-35	St. Thomas	cloudy sunny	33/91	28/77	29/82	1-2	E 25-35
2780	1-2	E 20-35	Hamilton	partly sunny	30/86	22/71	27/80	1-2	E 20-35

Asia/Pacific

3086	0-1	SW 15-25	Pearang	thunderstorms	32/90	26/79	30/86	0-1	SW 15-25
2934	0-1	SW 15-25	Phuket	thunderstorms	33/91	28/79	29/82	0-1	SW 15-25
3182	0-1	SW 12-25	Palau	cloudy sun	33/91	25/78	29/82	0-1	SW 12-25
2986	0-1	SW 10-20	Cebu	cloudy sun	33/91	25/78	29/82	0-1	SW 10-20
1936	1-2	WNW 30-45	Beach Beach, Aus.	clouds and sun	26/81	7/44	19/61	1-2	W 40-55
1950	0-1	WNW 16-35	Bay of Islands, NC	sunny	19/66	9/48	19/66	0-1	NW 15-25
2070	0-1	ESE 20-35	Manila	clouds and sun	27/80	21/70	20/70	0-1	E 20-35
2170	2-3	SW 20-35	Honolulu	clouds and sun	26/80	22/73	20/70	1-3	E 20-35

Travel in a world without borders, time zones  
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- An AT&T English-speaking Operator or voice prompt will ask for the phone number you wish to call or connect you to a customer service representative.

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COUNTRY	ACCESS NUMBER	COUNTRY	ACCESS NUMBER	COUNTRY	ACCESS NUMBER
<b>ASIA</b>		Italy	172-1011	Brazil	000-8010
Australia	1-800-861-011	Liechtenstein	155-00-11	Chile	000-0312
China, PRC**	10611	Lithuania	84196	Colombia	990-11-0110
Guam	018-872	Luxembourg	0-800-0111	Costa Rica**	1114
Hong Kong	800-1111	Macedonia, F.Y.R. of	95-800-4288	Ecuador	100
India**	000-1117	Malta	800-890-110	El Salvador**	190
Indonesia**	001-801-30	Monaco**	154-0011	Guatemala**	150
Japan**	0056-111	Netherlands*	06-022-9111	Guynana**	165
Korea	009-11	Norway	800-190-11	Honduras**	1230
Korea**	11*	Poland**	0-610-480-0111	Mexico**	95-800-462-1230
Malaysia**	800-0011	Portugal*	05017-1-288	Nicaragua (Managua)	174
New Zealand	000-911	Romania	01-800-4288	Panama	109
Philippines*	105-11	Russia** (Moscow)	155-5402	Paru*	191
Saipao*	255-2872	Slovakia	00-420-00101	Suriname	156
Singapore	800-0111-111	Spain*	300-99-00-11	Uruguay	00-0410
Sri Lanka	430-430	Sweden*	020-795-611	Venezuela**	80-011-120
Taiwan*	0080-10288-0	Switzerland**	155-00-11	<b>CARIBBEAN</b>	
Thailand**	0119-991-1111	U.K.	0500-89-0021	Bahamas	1-800-872-2881
<b>EUROPE</b>		Ukraine**	84100-11	Bermuda*	1-800-872-2881
Armenia**	8-41111	<b>MIDDLE EAST</b>		British V.I.	1-800-872-2881
Austria**	022-903-011	Bahrain	800-001	Cayman Islands	1-800-872-2881
Belgium*	880-100-10	Cyprus*	080-90010	Grenada*	1-800-872-2881
Bulgaria	00-1800-010	Israel	177-100-2777	Haiti*	001-800-872-2883
Croatia**	99-38-0011	Kuwait	800-288	Jamaica**	0-800-872-2881
Czech Rep.	00-420-80101	Lebanon (Beirut)	426-801	Neth. Antil	001-800-872-2881
Denmark*	8001-9010	Qatar	6800-011-77	S. Kitts/Nevis	1-800-872-2881
Finland*	9800-100-10	Saudi Arabia	1-800-10	<b>AFRICA</b>	
France	194-0011	Turkey*	00-800-12277	Egypt* (Cairo)	510-0200
Germany	0150-0010	U.A.E.*	800-121	Gabon*	000-001
Greece*	00-800-1312	<b>AMERICAS</b>		Gambia*	00111
Hungary*	000-800-01111	Argentina*	001-800-230-1111	Kenya*	090-10
Iceland**	699-001	Belize*	555	Liberia	797-797
Ireland	1-800-550-000	Bolivia*	0-800-1112	South Africa	0-800-00-1000

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